SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 29, 2002
Commission file number 0-9286

Coca-Cola Bottling Co. Consolidated

(Exact name of Registrant as specified in its charter)

Delaware	**56-0950585**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification Number)**

4100 Coca-Cola Plaza, Charlotte, North Carolina 28211

(Address of principal executive offices) (Zip Code)

(704) 557-4400

(Registrant's telephone number, including area code)

Securities Registered Pursuant to Section 12(b) of the Act: None
Securities Registered Pursuant to Section 12(g) of the Act:

Common Stock, $1.00 Par Value

(Title of Class)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

Indicate by check mark whether the Registrant is an accelerated filer (defined in Rule 12b-2 of the Act). Yes ☒ No ☐

State the aggregate market value of voting and non-voting common equity held by non-affiliates as of the last business day of the Registrant's most recently completed second fiscal quarter.

	Market Value as of June 28, 2002
Common Stock, $l.00 Par Value	$191,019,803
Class B Common Stock, $l.00 Par Value	*

* No market exists for the shares of Class B Common Stock, which is neither registered under Section 12 of the Act nor subject to Section 15(d) of the Act. The Class B Common Stock is convertible into Common Stock on a share-for-share basis at the option of the holder.

Indicate the number of shares outstanding of each of the Registrant's classes of common stock, as of the latest practicable date.

Class	**Outstanding as of March 10, 2003**
Common Stock, $1.00 Par Value	6,642,577
Class B Common Stock, $1.00 Par Value	2,400,752

Documents Incorporated by Reference

Portions of Proxy Statement to be filed pursuant to Section 14 of the Exchange Act	
with respect to the 2003 Annual Meeting of Stockholders	Part III, Items 10-13

Part I

Item 1. ***Business***

Introduction and Recent Developments

Coca-Cola Bottling Co. Consolidated, a Delaware corporation (the "Company"), produces, markets and distributes carbonated and noncarbonated beverages, primarily products of The Coca-Cola Company, Atlanta, Georgia ("The Coca-Cola Company"). The Company was incorporated in 1980 and its predecessors have been in the soft drink manufacturing and distribution business since 1902.

The Company has grown significantly since 1984. In 1984, net sales were approximately $130 million. In 2002, net sales were approximately $1.25 billion. The Company's bottling territory was concentrated in North Carolina prior to 1984. A series of acquisitions since 1984 has significantly expanded the Company's bottling territory. The more significant transactions since 1993 were as follows:

- July 2, 1993—Formation of Piedmont Coca-Cola Bottling Partnership ("Piedmont"). Piedmont is a joint venture originally owned equally by the Company and The Coca-Cola Company through their respective subsidiaries. Piedmont distributes and markets soft drink products, primarily in parts of North Carolina and South Carolina. The Company sold and contributed certain territories to Piedmont upon formation. The Company currently provides part of the finished product requirements for Piedmont and receives a fee for managing the operations of Piedmont pursuant to a management agreement.
- June 1, 1994—The Company executed a management agreement with South Atlantic Canners, Inc. ("SAC"), a manufacturing cooperative located in Bishopville, South Carolina. The Company is a member of the cooperative and receives a fee for managing the day-to-day operations of SAC pursuant to a ten-year management agreement. SAC significantly expanded its operations by adding two PET (plastic) bottling lines in 1994. These bottling lines supply a portion of the Company's and Piedmont's volume requirements for finished product of PET containers.
- May 28, 1999—The Company acquired all the outstanding capital stock of Carolina Coca-Cola Bottling Company, Inc. which included bottling territory covering central South Carolina.
- September 29, 2000—The Company sold bottling territory in Kentucky and Ohio. The bottling territory sold represented approximately 3% of the Company's 2000 annual sales volume.
- January 2, 2002—The Company purchased an additional 4.651% interest in Piedmont from The Coca-Cola Company, increasing the Company's ownership in Piedmont to 54.651%. As a result of the increase in ownership, the results of operations, financial position and cash flows of Piedmont were consolidated with those of the Company beginning in the first quarter of 2002.

On March 5, 2003, the Company's Board of Directors authorized the purchase of 50% of The Coca-Cola Company's remaining interest in Piedmont for approximately $53.5 million, subject to the completion of a definitive purchase agreement and regulatory approval. This transaction, which is anticipated to close on March 31, 2003, would increase the Company's ownership interest in Piedmont from 54.651% to slightly more than 77%.

These transactions, along with several smaller acquisitions of additional bottling territories, have resulted in the Company becoming the second largest Coca-Cola bottler in the United States. The Company considers acquisition opportunities for additional territories on an ongoing basis. To achieve its goals, further purchases and sales of bottling rights and entities possessing such rights and other related transactions designed to facilitate such purchases and sales may occur.

On March 10, 2003, The Coca-Cola Company had a 27.5% interest in the Company's total outstanding Common Stock and Class B Common Stock on a combined basis. J. Frank Harrison, III and Reid M. Henson (as trustee of certain trusts) are parties to a Voting Agreement and Irrevocable Proxy with The Coca-Cola Company pursuant to which, among other things, Mr. Harrison, III has been granted an Irrevocable Proxy for life concerning the shares of Common Stock and Class B Common Stock owned by The Coca-Cola Company.

General

In its soft drink operations, the Company holds Bottle Contracts and Allied Bottle Contracts under which it produces and markets, in certain regions, carbonated soft drink products of The Coca-Cola Company, including Coca-Cola classic, caffeine free Coca-Cola classic, Vanilla Coke, diet Vanilla Coke, diet Coke, diet Coke with lemon, caffeine free diet Coke, Cherry Coke, diet Cherry Coke, TAB, Sprite, diet Sprite, Citra, Mello Yello, diet Mello Yello, Mello Yello Cherry, Mr. PiBB, sugar free Mr. PiBB, Fruitopia, Barq's Root Beer, diet Barq's Root Beer, Fresca, Fanta flavors, Seagrams' products, Minute Maid orange, diet Minute Maid orange, Minute Maid Lemonade and Minute Maid Fruit Punch.

The Company also distributes and markets under Noncarbonated Beverage Contracts products such as POWERade, Dasani and Minute Maid Juices To Go in certain of its markets. The Company produces and markets Dr Pepper in some of its regions. The Company also distributes and markets various other products, including Sundrop, in one or more of the Company's regions under agreements with the companies that manufacture the concentrate for those beverages. In addition, the Company also produces soft drinks for other Coca-Cola bottlers.

The Company's principal soft drink is Coca-Cola classic. In each of the last three fiscal years, sales of products under the Coca-Cola trademark have accounted for more than half of the Company's soft drink sales. In total, the products of The Coca-Cola Company accounted for approximately 91% of the Company's soft drink sales volume during 2002.

Beverage Agreements

The Company holds contracts with The Coca-Cola Company which entitle the Company to produce and market The Coca-Cola Company's soft drinks in bottles, cans and five gallon, pressurized, pre-mix containers. The Company is one of many companies holding such contracts. The Coca-Cola Company is the sole owner of the secret formulas pursuant to which the primary components (either concentrates or syrups) of Coca-Cola trademark beverages and other trademark beverages are manufactured. The concentrates, when mixed with water and sweetener, produce syrup which, when mixed with carbonated water, produces the soft drink known as "Coca-Cola classic" and other soft drinks of The Coca-Cola Company which are manufactured and marketed by the Company. The Company also purchases sweeteners from The Coca-Cola Company. No royalty or other compensation is paid under the contracts with The Coca-Cola Company for the Company's right to use in its territories the tradenames and trademarks, such as "Coca-Cola classic" and their associated patents, copyrights, designs and labels, all of which are owned by The Coca-Cola Company. The Company has similar arrangements with Dr Pepper Company and other beverage companies.

Bottle Contracts. The Company is party to standard bottle contracts with The Coca-Cola Company for each of its bottling territories (the "Bottle Contracts") which provide that the Company will purchase its entire requirement of concentrates and syrups for Coca-Cola classic, caffeine free Coca-Cola classic, diet Coke, diet Coke with lemon, caffeine free diet Coke, Cherry Coke, diet Cherry Coke, Vanilla Coke and diet Vanilla Coke (together, the "Coca-Cola Trademark Beverages") from The Coca-Cola Company. The Company has the exclusive right to distribute Coca-Cola Trademark Beverages for sale in its territories in authorized containers of the nature currently used by the Company, which include cans and refillable and nonrefillable bottles. The Coca-Cola Company may determine from time to time what containers of this type to authorize for use by the Company. The Company cannot sell Coca-Cola Trademark Beverages outside of its territories.

The price The Coca-Cola Company charges for syrup or concentrate under the Bottle Contracts is set by The Coca-Cola Company from time to time. Except as provided in the Supplementary Agreement described below, there are no limitations on prices for concentrate or syrup. Consequently, the prices at which the Company purchases concentrates and syrup under the Bottle Contracts may vary materially from the prices it has paid during the periods covered by the financial information included in this report.

Under the Bottle Contracts, the Company is obligated to maintain such plant, equipment, staff and distribution facilities as are required for the manufacture, packaging and distribution of the Coca-Cola Trademark Beverages in authorized containers, and in sufficient quantities to satisfy fully the demand for these beverages in its territories; to undertake adequate quality control measures and maintain sanitation standards prescribed by The Coca-Cola Company; to develop, stimulate and satisfy fully the demand for Coca-Cola Trademark Beverages and to use all approved means, and to spend such funds on advertising and other forms of marketing as may be reasonably required to meet that objective; and to maintain such sound financial capacity as may be reasonably necessary to assure performance by the Company and its affiliates of their obligations to The Coca-Cola Company.

The Bottle Contracts require the Company to submit to The Coca-Cola Company each year its plans for marketing, management and advertising with respect to the Coca-Cola Trademark Beverages for the ensuing year. Such plans must demonstrate that the Company has the financial capacity to perform its duties and obligations to The Coca-Cola Company under the Bottle Contracts. The Company must obtain The Coca-Cola Company's approval of those plans, which approval may not be unreasonably withheld, and if the Company carries out its plans in all material respects, it will have satisfied its contractual obligations. Failure to carry out such plans in all material respects would constitute an event of default that, if not cured within 120 days of notice of such failure, would give The Coca-Cola Company the right to terminate the Bottle Contracts. If the Company at any time fails to carry out a plan in all material respects with respect to any geographic segment (as defined by The Coca-Cola Company) of its territory, and if that failure is not cured within six months of notice of such failure, The Coca-Cola Company may reduce the territory covered by the applicable Bottle Contract by eliminating the portion of the territory with respect to which the failure has occurred.

The Coca-Cola Company has no obligation under the Bottle Contracts to participate with the Company in expenditures for advertising and marketing. As it has in the past, The Coca-Cola Company may contribute to such expenditures and undertake independent advertising and marketing activities, as well as cooperative advertising and sales promotion programs which require mutual cooperation and financial support of the Company. The future levels of marketing support and promotional funds provided by The Coca-Cola Company may vary materially from the levels provided during the periods covered by the financial information included in this report.

The Coca-Cola Company has the right to reformulate any of the Coca-Cola Trademark Beverages and to discontinue any of the Coca-Cola Trademark Beverages, subject to certain limitations, so long as all Coca-Cola Trademark Beverages are not discontinued. The Coca-Cola Company may also introduce new beverages under the trademarks "Coca-Cola" or "Coke" or any modification thereof, and in that event the Company would be obligated to manufacture, package, distribute and sell the new beverages with the same duties as exist under the Bottle Contracts with respect to Coca-Cola Trademark Beverages.

If the Company acquires the right to manufacture and sell Coca-Cola Trademark Beverages in any additional territory, the Company has agreed that such new territory will be covered by a standard contract in the same form as the Bottle Contracts and that any existing agreement with respect to the acquired territory automatically shall be amended to conform to the terms of the Bottle Contracts. In addition, if the Company acquires control, directly or indirectly, of any bottler of Coca-Cola Trademark Beverages, or any party controlling a bottler of Coca-Cola Trademark Beverages, the Company must cause the acquired bottler to amend its franchises for the Coca-Cola Trademark Beverages to conform to the terms of the Bottle Contracts.

The Bottle Contracts are perpetual, subject to termination by The Coca-Cola Company in the event of default by the Company. Events of default by the Company include (1) the Company's insolvency, bankruptcy, dissolution, receivership or similar conditions; (2) the Company's disposition of any interest in the securities of any bottling subsidiary without the consent of The Coca-Cola Company; (3) termination of any agreement regarding the manufacture, packaging, distribution or sale of Coca-Cola Trademark Beverages between The Coca-Cola Company and any person that controls the Company; (4) any material breach of any obligation occurring under the Bottle Contracts (including, without limitation, failure to make timely payment for any syrup or concentrate or of any other debt owing to The Coca-Cola Company, failure to meet sanitary or quality control standards, failure to comply strictly with manufacturing standards and instructions, failure to carry out an approved plan as described above, and failure to cure a violation of the terms regarding imitation products), that remains uncured for 120 days after notice by The Coca-Cola Company; (5) producing, manufacturing, selling or dealing in any "Cola Product," as defined, or any concentrate or syrup which might be confused with those of The Coca-Cola Company; (6) selling any product under any trade dress, trademark or tradename or in any container that is an imitation of a trade dress or container in which The Coca-Cola Company claims a proprietary interest; or (7) owning any equity interest in or controlling any entity which performs any of the activities described in (5) or (6) above. In addition, upon termination of the Bottle Contracts for any reason, The Coca-Cola Company, at its discretion, may also terminate any other agreements with the Company regarding the manufacture, packaging, distribution, sale or promotion of soft drinks, including the Allied Bottle Contracts described elsewhere herein.

The Company is prohibited from assigning, transferring or pledging its Bottle Contracts, or any interest therein, whether voluntarily or by operation of law, without the prior consent of The Coca-Cola Company. Moreover, the Company may not enter into any contract or other arrangement to manage or participate in the management of any other Coca-Cola bottler without the prior consent of The Coca-Cola Company.

The Coca-Cola Company may automatically amend the Bottle Contracts if 80% of the domestic bottlers who are parties to agreements with The Coca-Cola Company containing substantially the same terms as the Bottle Contracts, which bottlers purchased for their own account 80% of the syrup and equivalent gallons of concentrate for Coca-Cola Trademark Beverages purchased for the account of all such bottlers, agree that their bottle contracts shall be likewise amended.

Supplementary Agreement. The Company and The Coca-Cola Company are also parties to a Supplementary Agreement (the "Supplementary Agreement") that modifies some of the provisions of the Bottle Contracts. The Supplementary Agreement provides that The Coca-Cola Company will exercise good faith and fair dealing in its relationship with the Company under the Bottle Contracts; offer marketing support and exercise its rights under the Bottle Contracts in a manner consistent with its dealings with comparable bottlers; offer to the Company any written amendment to the Bottle Contracts (except amendments dealing with transfer of ownership) which it offers to any other bottler in the United States; and, subject to certain limited exceptions, sell syrups and concentrates to the Company at prices no greater than those charged to other bottlers which are parties to contracts substantially similar to the Bottle Contracts. The Supplementary Agreement permits transfers of the Company's capital stock that would otherwise be limited by the Bottle Contracts.

Allied Bottle Contracts. Other contracts with The Coca-Cola Company (the "Allied Bottle Contracts") grant similar exclusive rights to the Company with respect to the distribution of Sprite, Mr. PiBB, Mello Yello, diet Mello Yello, Mello Yello Cherry, Fanta flavors, TAB, diet Sprite, sugar free Mr. PiBB, Fresca, Fruitopia, Barq's Root Beer, diet Barq's Root Beer, Seagrams' products, Cool from Nestea, Minute Maid orange and diet Minute Maid orange (the "Allied Beverages") for sale in authorized containers in its territories. These contracts contain provisions that are similar to those of the Bottle Contracts with respect to pricing, authorized containers, planning, quality control, trademark and transfer restrictions and related matters. Each Allied Bottle Contract has a term of ten years and is renewable by the Company for an additional ten years at the end of each ten-year

period, but is subject to termination in the event of (1) the Company's insolvency, bankruptcy, dissolution, receivership or similar condition; (2) termination of the Company's Bottle Contract covering the same territory by either party for any reason; and (3) any material breach of any obligation of the Company under the Allied Bottle Contract that remains uncured for 120 days after notice by The Coca-Cola Company.

Noncarbonated Beverage Contracts. The Company purchases and distributes certain noncarbonated beverages such as isotonics, teas and juice drinks in finished form from The Coca-Cola Company, and produces, markets and distributes Dasani water, pursuant to the terms of marketing and distribution agreements (the "Noncarbonated Beverage Contracts"). The Noncarbonated Beverage Contracts contain provisions that are similar to the Bottle Contracts and Allied Bottle Contracts with respect to authorized containers, planning and related matters, but the Noncarbonated Beverage Contracts also have certain significant differences. Unlike the Bottle Contracts and Allied Bottle Contracts, which grant the Company exclusivity in the distribution of the respective beverages in the territory, the Noncarbonated Beverage Contracts grant exclusivity but permit The Coca-Cola Company to test market the noncarbonated beverage products in the territory, subject to the Company's right of first refusal, and to sell the noncarbonated beverages to commissaries for delivery to retail outlets in the Company's territory where noncarbonated beverages are consumed on-premise, including restaurants. The Coca-Cola Company must pay the Company certain fees in the event of such commissary sales. Also, under the Noncarbonated Beverage Contracts, the Company may not sell other beverages in the same product category. The Coca-Cola Company establishes the pricing the Company must pay for the noncarbonated beverages or, in the case of Dasani, the concentrate. The Coca-Cola Company has no rights under the Noncarbonated Beverage Contracts to establish the resale prices at which the Company sells its products. Each of the Noncarbonated Beverage Contracts has a term of ten or fifteen years and is renewable by the Company for an additional ten years at the end of each term.

Post-mix Rights. The Company also has the non-exclusive right to sell Coca-Cola classic and other fountain syrups ("post-mix syrup") of The Coca-Cola Company. In 2002, total post-mix net sales were $60.6 million.

Other Bottling Agreements. The bottling agreements from most other soft drink franchisers are similar to those described above in that they are renewable at the option of the Company and the franchisers. The price the franchisers may charge for syrup or concentrate is set by the franchisers from time to time. They also contain similar restrictions on the use of trademarks, approved bottles, cans and labels and sale of imitations or substitutes as well as termination for cause provisions. Sales of beverages by the Company under these agreements represented approximately 9% of the Company's sales for fiscal year 2002. The territories covered by the Allied Bottle Contracts and by bottling agreements for products of franchisers other than The Coca-Cola Company in most cases correspond with the territories covered by the Bottle Contracts. The variations do not have a material effect on the Company's business.

Markets and Production and Distribution Facilities

As of March 1, 2003, the Company held bottling rights from The Coca-Cola Company covering the majority of North Carolina, South Carolina and West Virginia, and portions of Alabama, Mississippi, Tennessee, Kentucky, Virginia, Pennsylvania, Georgia and Florida. The total population within the Company's bottling territory is approximately 17.9 million.

As of March 1, 2003, the Company operated in seven principal geographical regions. Certain information regarding each of these markets follows:

1. *North Carolina*. This region includes the majority of North Carolina, including Raleigh, Greensboro, Winston-Salem, High Point, Hickory, Asheville, Fayetteville, Wilmington, Charlotte and the surrounding areas. The region has an estimated population of 7.5 million. A production/distribution facility is located in Charlotte and 17 other distribution facilities are located in the region.

2. *South Carolina*. This region includes the majority of South Carolina, including Charleston, Columbia, Greenville, Myrtle Beach and the surrounding areas. The region has an estimated population of 3.2 million. There are nine distribution facilities in the region.

3. *South Alabama*. This region includes a portion of southwestern Alabama, including Mobile and surrounding areas, and a portion of southeastern Mississippi. The region has an estimated population of .9 million. A production/distribution facility is located in Mobile and four other distribution facilities are located in the region.

4. *South Georgia*. This region includes a small portion of eastern Alabama, a portion of southwestern Georgia including Columbus, Georgia and surrounding areas, and a portion of the Florida Panhandle. This region has an estimated population of 1.1 million. A distribution facility is located in Columbus, Georgia and four other distribution facilities are located in the region.

5. *Middle Tennessee*. This region includes a portion of central Tennessee, including Nashville and surrounding areas, a small portion of southern Kentucky and a small portion of northwest Alabama. The region has an estimated population of 2.1 million. A production/distribution facility is located in Nashville and seven other distribution facilities are located in the region.

6. *Western Virginia*. This region includes most of southwestern Virginia, including Roanoke and surrounding areas, a portion of the southern piedmont of Virginia, a portion of northeastern Tennessee and a portion of southeastern West Virginia. The region has an estimated population of 1.7 million. A production/distribution facility is located in Roanoke and five other distribution facilities are located in the region.

7. *West Virginia*. This region includes most of the state of West Virginia and a portion of southwestern Pennsylvania. The region has an estimated population of 1.4 million. There are eight distribution facilities located in the region.

The Company owns 100% of the operations in each of the regions previously listed except for portions of North Carolina and South Carolina that are owned by Piedmont.

On June 1, 1994, the Company executed a management agreement with SAC, a manufacturing cooperative located in Bishopville, South Carolina. The Company is a member of the cooperative and receives a fee for managing the day-to-day operations of SAC pursuant to a ten-year management agreement. Management fees from SAC were $1.3 million, $1.2 million and $1.0 million in 2002, 2001 and 2000, respectively. SAC significantly expanded its operations by adding two PET bottling lines in 1994. The bottling lines supply a portion of the Company's and Piedmont's volume requirements for finished products in PET containers. In 1994, the Company executed member purchase agreements with SAC that require minimum annual purchases of canned product, 20 ounce PET product, 2 liter PET product and 3 liter PET product by the Company of approximately $40 million. Purchases from SAC by the Company and Piedmont for finished products were $110 million in each of 2002, 2001 and 2000, respectively.

In addition to producing bottled and canned soft drinks for the Company's bottling territories, each production facility also produces some products for sale by other Coca-Cola bottlers. With the exception of the Company's production of soft drink products for Piedmont, this contract production is currently not a material portion of the Company's total production volume.

Raw Materials

In addition to concentrates obtained by the Company from The Coca-Cola Company and other concentrate companies for use in its soft drink manufacturing, the Company also purchases sweeteners, carbon dioxide, plastic bottles, cans, closures, pre-mix containers and other packaging materials as well as equipment for the production, distribution and marketing of soft drinks. Except for sweetener, cans, carbon dioxide and plastic bottles, the Company purchases its raw materials from multiple suppliers.

The Company has a supply agreement with its aluminum can supplier which requires the Company to purchase substantially all of its aluminum can requirements. This agreement, which extends through the end of 2003, also reduces the variability of the cost of cans.

The Company purchases substantially all of its plastic bottles (20 ounce, half liter, 1 liter, 2 liter and 3 liter sizes) from manufacturing plants which are owned and operated by two cooperatives of Coca-Cola bottlers, including the Company.

None of the materials or supplies used by the Company is in short supply, although the supply of specific materials (including plastic bottles which are formulated using petroleum-based products) could be adversely affected by strikes, weather conditions, governmental controls or national emergency conditions.

Marketing

The Company's soft drink products are sold and distributed directly by its employees to retail stores and other outlets, including food markets, institutional accounts and vending machine outlets. During 2002, approximately 79% of the Company's physical case volume was sold for future consumption through supermarkets, convenience stores, drug stores and other retail outlets. The remaining volume of approximately 21% was sold for immediate consumption, primarily through dispensing machines, owned either by the Company, retail outlets or third party vending companies. The Company's largest customer accounted for approximately 10% of the Company's total sales volume. All of the Company's sales are to customers in the United States.

New product introductions, packaging changes and sales promotions have been the major competitive techniques in the soft drink industry in recent years and have required and are expected to continue to require substantial expenditures. Product introductions in the last three years include Dasani, Mello Yello Cherry, diet Coke with lemon, Fanta flavors, Vanilla Coke and diet Vanilla Coke. New product introductions have resulted in increased operating costs for the Company due to special marketing efforts, obsolescence of replaced items and, in some cases, higher raw materials costs.

After new package introductions in recent years, the Company sells its soft drink products primarily in nonrefillable bottles and cans, in varying proportions from market to market. There may be as many as thirteen different packages for Coca-Cola classic within a single geographical area. Physical unit sales of soft drinks during 2002 were approximately 51% cans, 48% nonrefillable bottles and 1% pre-mix.

Advertising in various media, primarily television and radio, is relied upon extensively in the marketing of the Company's soft drinks. The Coca-Cola Company and Dr Pepper Company ("Beverage Companies") each have joined the Company in making substantial expenditures in cooperative advertising in the Company's marketing areas. The Company has benefited from national advertising programs conducted by the Beverage Companies. In addition, the Company expends substantial funds on its own behalf for extensive local sales promotions of the Company's soft drink products. Historically, these expenses have been partially offset by marketing funds which the Beverage Companies provide to the Company in support of a variety of marketing programs, such as point-of-sale displays and merchandising programs. However, the Beverage Companies are under no obligation to provide the Company with marketing funding in the future.

The substantial outlays which the Company makes for marketing programs are generally regarded as necessary to maintain or increase sales volume, and any significant curtailment of the marketing funding provided by The Coca-Cola Company for marketing programs which benefit the Company could have a material effect on the business and financial results of the Company.

Seasonality

Sales are somewhat seasonal, with the highest sales volume occurring in May, June, July and August. The Company has adequate production capacity to meet sales demands during these peak periods. Sales volume can be impacted by weather conditions.

Competition

The soft drink industry is highly competitive. The Company's competitors include several large soft drink manufacturers engaged in the distribution of nationally advertised products, as well as similar companies which market lesser-known soft drinks in limited geographical areas and manufacturers of private brand soft drinks. In each region in which the Company operates, between 75% and 90% of carbonated soft drink sales in bottles, cans and pre-mix containers are accounted for by the Company and its principal competition, which in each region includes the local bottler of Pepsi-Cola and, in some regions, also includes the local bottler of Royal Crown products. The Company's products also compete with, among others, noncarbonated beverages and citrus and noncitrus fruit drinks.

The principal methods of competition in the soft drink industry are point-of-sale merchandising, new product introductions, new vending and dispensing equipment, packaging changes, pricing, price promotions, product quality, retail space management, customer service, frequency of distribution and advertising. The Company believes that it is competitive in its territories with respect to each of these methods of competition.

Government Regulation

The production and marketing of beverages are subject to the rules and regulations of the United States Food and Drug Administration ("FDA") and other federal, state and local health agencies. The FDA also regulates the labeling of containers.

As a manufacturer, seller and distributor of beverage products of The Coca-Cola Company and other soft drink manufacturers in exclusive territories, the Company is subject to antitrust laws of general applicability. However, pursuant to the United States Soft Drink Interbrand Competition Act, soft drink bottlers such as the Company may have an exclusive right to manufacture, distribute and sell a soft drink product in a defined geographic territory if that soft drink product is in substantial and effective competition with other products of the same general class in the market. The Company believes that there is such substantial and effective competition in each of the exclusive geographic territories in the United States in which the Company operates.

From time to time, legislation has been proposed in Congress and by certain state and local governments which would prohibit the sale of soft drink products in nonrefillable bottles and cans or require a mandatory deposit as a means of encouraging the return of such containers in an attempt to reduce solid waste and litter. The Company is currently not impacted by this type of proposed legislation.

Soft drink and similar-type taxes have been in place in West Virginia and Tennessee for several years.

Environmental Remediation

The Company does not currently have any material capital expenditure commitments for environmental compliance or environmental remediation for any of its properties.

Employees

As of March 1, 2003, the Company had approximately 5,600 full-time employees, of whom approximately 400 were union members. The total number of employees, including part-time employees, was approximately 6,200.

Less than 10% of the Company's labor force is currently covered by collective bargaining agreements. One collective bargaining contract covering less than 1% of the Company's employees expires during 2003.

Additional Information

The Company makes available free of charge through its Internet website, www.cokeconsolidated.com, its annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and all amendments to those reports as soon as reasonably practicable after such material is electronically filed with or furnished to the Securities and Exchange Commission. The information provided on our website is not part of this report, and is therefore not incorporated herein by reference.

Item 2. ***Properties***

The principal properties of the Company include its corporate headquarters, its four production/distribution facilities and its 59 distribution centers. The Company owns two production/distribution facilities and 49 distribution centers, and leases its corporate headquarters, two other production/distribution facilities and six distribution centers.

The Company leases its 110,000 square foot corporate headquarters and a 65,000 square foot adjacent office building from an affiliate for a ten-year term expiring January 2009. Total rental payments for these facilities were $2.8 million in 2002.

The Company leases its 542,000 square foot Snyder Production Center and an adjacent 105,000 square foot distribution center in Charlotte, North Carolina from an affiliate for a ten-year term expiring in December 2010. Rental payments under this lease totaled $2.9 million in 2002. The production/distribution center lease obligation was capitalized at the end of the first quarter of 2002 as the Company received a renewal option to extend the term of the lease, which it expects to exercise.

The Company also leases its 297,500 square foot production/distribution facility in Nashville, Tennessee. The lease requires monthly payments through 2009. Rent expense under this lease totaled $.4 million in 2002.

The Company's other real estate leases are not material.

The Company owns and operates a 316,000 square foot production/distribution facility in Roanoke, Virginia and a 271,000 square foot production/distribution facility in Mobile, Alabama.

The current percentage utilization of the Company's production centers as of March 1, 2003 was approximately as indicated below:

Production Facilities

Location	Percentage Utilization *
Charlotte, North Carolina	63%
Mobile, Alabama	46%
Nashville, Tennessee	55%
Roanoke, Virginia	64%

*Estimated 2003 production divided by capacity (based on operations of 6 days per week and 16 hours per day).

The Company currently has sufficient production capacity to meet its operational requirements. In addition to the production facilities noted above, the Company also has access to production capacity from SAC, a 261,000 square foot manufacturing cooperative located in Bishopville, South Carolina.

The Company's products are transported to distribution facilities for storage pending sale. During 2002 and the first two months of 2003, the Company closed nine distribution facilities, folding their operations into existing distribution facilities. The number of distribution facilities by market area as of March 1, 2003 was as follows:

Distribution Facilities

Region	Number of Facilities
North Carolina	18
South Carolina	9
South Alabama	5
South Georgia	5
Middle Tennessee	8
Western Virginia	6
West Virginia	8

The Company's distribution facilities are all in good condition and are adequate for the Company's operations as presently conducted.

The Company also operates approximately 3,800 vehicles in the sale and distribution of its soft drink products, of which approximately 1,700 are route delivery trucks. In addition, the Company owns approximately 226,000 soft drink dispensing and vending machines for the sale of its products in its bottling territories.

Item 3. ***Legal Proceedings***

On August 3, 1999, North American Container, Inc. filed a complaint in the United States District Court for the Northern District of Texas against the Company and 44 other defendants. By its First Amended Complaint filed in April 2000, the plaintiff seeks to enforce United States Reissue Patent No. RIE 36,639 and alleges that the plastic containers used by the Company in connection with the distribution of soft drinks and other products infringe the patent. The Company has notified its suppliers of the lawsuit and has asserted indemnification claims against them. The Company's suppliers have assumed the defense of the claim pursuant to a written agreement providing for indemnification. The Company's suppliers are vigorously defending the claim and the Company believes it has meritorious defenses against the imposition of any liability in this action.

There are various other lawsuits and claims pending against the Company arising in the ordinary course of its business. The Company believes that any losses that may arise from these lawsuits or claims will not have a materially adverse result on the financial condition or results of operation of the Company.

Item 4. ***Submission of Matters to a Vote of Security Holders***

There were no matters submitted to a vote of security holders during the fourth quarter of the fiscal year ended December 29, 2002.

EXECUTIVE OFFICERS OF THE REGISTRANT

Pursuant to General Instruction G(3) of Form 10-K, the following list is included as a separate item in Part I of this Report.

The following is a list of names and ages of all the executive officers of the Registrant as of March 1, 2003, indicating all positions and offices with the Registrant held by each such person. All officers have served in their present capacities for the past five years except as otherwise stated.

J. FRANK HARRISON, III, age 48, is Chairman of the Board of Directors and Chief Executive Officer of the Company. Mr. Harrison was appointed Chairman of the Board of Directors in December 1996. Mr. Harrison served as Vice Chairman from November 1987 through December 1996 and was appointed as the Company's Chief Executive Officer in May 1994. He was first employed by the Company in 1977, and has served as a Division Sales Manager and as a Vice President of the Company. Mr. Harrison, III is a Director of Wachovia Bank & Trust Co., N.A., Southern Region Board. He is Chairman of the Finance Committee and Vice Chairman of the Executive Committee.

JAMES L. MOORE, JR., age 60, is Vice Chairman of the Board of Directors of the Company, a position he was appointed to in January 2001. Prior to that time, Mr. Moore had served as President of the Company since 1987. He has served as a Director of the Company since March 1987. Mr. Moore is Chairman of the Retirement Benefits Committee and a member of the Executive Committee.

WILLIAM B. ELMORE, age 47, is President and Chief Operating Officer and a Director of the Company, positions he has held since January 2001. Previously, he was Vice President, Value Chain since July 1999 and Vice President, Business Systems from August 1998 to June 1999. He was Vice President, Treasurer from June 1996 to July 1998. He was Vice President, Regional Manager for the Virginia Division, West Virginia Division and Tennessee Division from August 1991 to May 1996. Mr. Elmore is a member of the Executive Committee and the Retirement Benefits Committee.

ROBERT D. PETTUS, JR., age 58, is Executive Vice President and Assistant to the Chairman, a position to which he was appointed in January 1997. Mr. Pettus was previously Vice President, Human Resources, a position he held since September 1984.

DAVID V. SINGER, age 47, is Executive Vice President and Chief Financial Officer, a position to which he was appointed in January 2001. He was previously Vice President and Chief Financial Officer, a position he had held since October 1987.

CLIFFORD M. DEAL, III, age 41, is Vice President, Treasurer, a position he has held since June 1999. Previously, he was Director of Compensation and Benefits from October 1997 to May 1999. He was Corporate Benefits Manager from December 1995 to September 1997. From November 1993 to November 1995 he was Manager of Tax Accounting.

NORMAN C. GEORGE, age 47, is Senior Vice President, Chief Marketing and Customer Officer, a position he was appointed to in September 2001. Prior to that he was Vice President, Marketing and National Sales, a position he was appointed to in December 1999. Prior to that he was Vice President, Corporate Sales, a position he had held since August 1998. Previously, he was Vice President, Sales for the Carolinas South Region, a position he held beginning in November 1991.

RONALD J. HAMMOND, age 47, is Vice President, Supply Chain, a position he was appointed to in January 2001. Prior to that he was Vice President, Manufacturing, a position he had held since September 1999. Before joining the Company, he was Vice President, Operations, Asia Pacific at Pepsi-Cola International, where he was an employee since 1981.

KEVIN A. HENRY, age 35, is Vice President, Human Resources, a position he has held since February 2001. Prior to joining the Company he was Senior Vice President, Human Resources at Nationwide Credit Inc., where he was an employee since January 1997. Prior to that he was Director, Human Resources, at Office Depot Inc. since December 1994.

UMESH M. KASBEKAR, age 45 is Vice President, Planning and Administration, a position he has held since January 1995. Prior to that, he was Vice President, Planning, a position he was appointed to in December 1988.

C. RAY MAYHALL, JR., age 55, is Senior Vice President, Sales, a position he was appointed to in September 2001. Prior to that he was Vice President, Distribution and Technical Services, a position he was appointed to in December 1999. Prior to that he was Regional Vice President, Sales, a position he had held since November 1992.

LAUREN C. STEELE, age 48, is Vice President, Corporate Affairs, a position he has held since May 1989. He is responsible for governmental, media and community relations for the Company.

STEVEN D. WESTPHAL, age 48, is Vice President and Controller of the Company, a position he has held since November 1987.

JOLANTA T. ZWIREK, age 47, is Vice President and Chief Information Officer, a position she has held since June 1999. Prior to joining the Company, she was Vice President and Chief Technology Officer for Bank One during a portion of 1999. Prior to that, she was a Senior Director in the Information Services organization at McDonald’s Corporation, where she was an employee since 1984.

Part II

Item 5. ***Market for Registrant's Common Equity and Related Stockholder Matters***

The Company has two classes of common stock outstanding, Common Stock and Class B Common Stock. The Common Stock is traded on the Nasdaq National Market tier of the Nasdaq Stock Market® under the symbol COKE. The table below sets forth for the periods indicated the high and low reported sales prices per share of Common Stock. There is no established public trading market for the Class B Common Stock. Shares of Class B Common Stock are convertible on a share-for-share basis into shares of Common Stock.

	Fiscal Year			
	2002		2001	
	High	Low	High	Low
First quarter	$ 50.10	$ 37.24	$ 45.13	$ 36.50
Second quarter	52.09	42.30	41.00	38.06
Third quarter	52.05	41.30	42.24	36.17
Fourth quarter	63.06	46.02	40.95	36.09

The quarterly dividend rate of $.25 per share on both Common Stock and Class B Common Stock shares was maintained throughout 2001 and 2002.

Pursuant to the Company's Certificate of Incorporation, no cash dividend or dividend of property or stock other than stock of the Company may be declared and paid, per share, on the Class B Common Stock unless a dividend of an amount greater than or equal to such cash or property or stock has been declared and paid on the Common Stock.

The amount and frequency of future dividends will be determined by the Company's Board of Directors in light of the earnings and financial condition of the Company at such time, and no assurance can be given that dividends will be declared in the future.

The number of stockholders of record of the Common Stock and Class B Common Stock, as of March 10, 2003, was 3,476 and 12, respectively.

On March 4, 2003, the Compensation Committee determined that 20,000 shares of restricted Class B Common Stock, $1.00 par value, vested and should be issued pursuant to a performance-based award to J. Frank Harrison, III, in connection with his services as Chairman of the Board of Directors and Chief Executive Officer of the Company. This award was approved by the Company's stockholders in 1999. The shares were issued without registration under the Securities Act of 1933 in reliance on Section 4(2) thereof.

On May 13, 2002, the Company announced that two of its directors, J. Frank Harrison, Jr., Chairman Emeritus, and J. Frank Harrison, III, Chairman of the Board of Directors and Chief Executive Officer, had entered into plans providing for sales of up to an aggregate total of 250,000 shares of the Company's Common Stock in accordance with Securities and Exchange Commission Rule 10b5-1. Shares sold under the plans were issuable to Mr. Harrison, Jr. and Mr. Harrison, III under stock option agreements that were granted in 1989 as long-term incentives. During 2002, all 250,000 shares of Common Stock exercisable under the options were sold under the plans. Total proceeds to the Company from the exercise of the stock options under the plans were approximately $7.2 million.

Item 6. ***Selected Financial Data***

The following table sets forth certain selected financial data concerning the Company for the five years ended December 29, 2002. The data for the five years ended December 29, 2002 is derived from audited financial statements of the Company. This information should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" set forth in Item 7 hereof and is qualified in its entirety by reference to the more detailed financial statements and notes contained in Item 8 hereof. This information should also be read in conjunction with the "Introduction and Recent Developments" section in Item 1 hereof.

Selected Financial Data*

	Fiscal Year **				
In Thousands (Except Per Share Data)	**2002*** **	**2001**	**2000 **** **	**1999**	**1998**
Summary of Operations					
Net sales	$ 1,246,591	$ 989,188	$ 969,937	$ 945,607	$ 907,575
Cost of sales	667,260	544,528	520,600	534,459	527,565
Selling, general and administrative expenses	404,194	304,565	310,215	275,620	264,177
Depreciation expense	76,075	66,134	64,751	60,567	37,076
Amortization of goodwill and intangibles	2,796	15,296	14,712	13,734	12,972
Restructuring expense				2,232	
Total costs and expenses	1,150,325	930,523	910,278	886,612	841,790
Income from operations	96,266	58,665	59,659	58,995	65,785
Interest expense	49,120	44,322	53,346	50,581	39,947
Other income (expense), net	(3,084)	(2,647)	3,522	(3,428)	(2,593)
Minority interest	5,992				
Income before income taxes	38,070	11,696	9,835	4,986	23,245
Income taxes	15,247	2,226	3,541	1,745	8,367
Net income	$ 22,823	$ 9,470	$ 6,294	$ 3,241	$ 14,878
Basic net income per share	$ 2.58	$ 1.08	$ .72	$ .38	$ 1.78
Diluted net income per share	$ 2.56	$ 1.07	$ .71	$ .37	$ 1.75
Cash dividends per share:					
Common	$ 1.00	$ 1.00	$ 1.00	$ 1.00	$ 1.00
Class B Common	$ 1.00	$ 1.00	$ 1.00	$ 1.00	$ 1.00
Other Information					
Weighted average number of common shares outstanding	8,861	8,753	8,733	8,588	8,365
Weighted average number of common shares outstanding—assuming dilution	8,921	8,821	8,822	8,708	8,495
Year-End Financial Position					
Total assets	$ 1,353,525	$ 1,064,459	$ 1,062,097	$ 1,108,392	$ 822,702
Portion of long-term debt payable within one year	31	56,708	9,904	28,635	30,115
Current portion of obligations under capital leases	3,960	1,489	3,325	4,483	
Long-term debt	807,725	620,156	682,246	723,964	491,234
Obligations under capital leases	42,066	935	1,774	4,468	
Stockholders' equity	32,867	17,081	28,412	30,851	14,198

* See Management's Discussion and Analysis and accompanying notes to consolidated financial statements for additional information.

** All years presented are 52-week years except 1998 which is a 53-week year.

*** On January 2, 2002, the Company purchased an additional interest in Piedmont Coca-Cola Bottling Partnership ("Piedmont") from The Coca-Cola Company, increasing the Company's ownership in Piedmont to more than 50%. Due to the increase in ownership, the results of operations, financial position and cash flows of Piedmont have been consolidated with those of the Company beginning in the first quarter of 2002. The Company's investment in Piedmont had been accounted for using the equity method for 2001 and prior years.

**** In September 2000, the Company sold a bottling territory which represented approximately 3% of the Company's 2000 sales volume.

Item 7. ***Management's Discussion and Analysis of Financial Condition and Results of Operations***

INTRODUCTION

The Company

Coca-Cola Bottling Co. Consolidated (the "Company") produces, markets and distributes carbonated and noncarbonated beverages, primarily products of The Coca-Cola Company, which include some of the most recognized and popular beverage brands in the world. The Company is currently the second largest bottler of products of The Coca-Cola Company in the United States, operating in eleven states, primarily in the Southeast. The Company also distributes several other beverage brands. The Company's product offerings include carbonated soft drinks, bottled water, teas, juices, isotonics and energy drinks. Over the past several years, the Company has expanded its bottling territory primarily throughout the southeastern region of the United States via acquisitions and, combined with internally generated growth, had net sales of over $1.2 billion in 2002.

Acquisitions and Divestitures

On January 2, 2002, the Company purchased an additional 4.651% interest in Piedmont Coca-Cola Bottling Partnership ("Piedmont") from The Coca-Cola Company for $10.0 million, increasing the Company's ownership in Piedmont to 54.651%. Due to the increase in ownership, the results of operations, financial position and cash flows of Piedmont have been consolidated with those of the Company beginning in the first quarter of 2002. The Company's investment in Piedmont had been accounted for using the equity method for 2001 and prior years.

As of December 29, 2002, The Coca-Cola Company owned 27.5% of the Company's Common Stock and Class B Common Stock on a combined basis and had a 45.349% interest in Piedmont. On March 5, 2003, the Company's Board of Directors authorized the purchase of 50% of The Coca-Cola Company's remaining interest in Piedmont for approximately $53.5 million, subject to the completion of a definitive purchase agreement and regulatory approval. This transaction, which is anticipated to close on March 31, 2003, would increase the Company's ownership interest in Piedmont from 54.651% to slightly more than 77%.

During 2000, the Company sold most of its bottling territory in Kentucky and Ohio to Coca-Cola Enterprises Inc., another Coca-Cola bottler. The territory sold represented approximately 3% of the Company's 2000 annual sales volume.

New Accounting Pronouncements

Emerging Issues Task Force No. 01-09 "Accounting for Consideration Given by a Vendor to a Customer or Reseller of the Vendor's Products" was effective for the Company beginning January 1, 2002, requiring certain expenses previously classified as selling, general and administrative ("S,G&A") expenses to be reclassified as deductions from net sales. Prior years' results have been adjusted to reclassify these expenses as a deduction to net sales for comparability with current year presentation. These expenses relate primarily to payments to customers for certain marketing programs. The Company reclassified $22.5 million and $15.6 million for 2001 and 2000, respectively, related to these expenses.

In November 2002, the Financial Accounting Standards Board ("FASB") issued Financial Interpretation No. 45 "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others," ("FIN 45"). This interpretation requires additional disclosure for current guarantees and requires that certain guarantees entered into or modified subsequent to December 31, 2002 be reflected in the guarantor's balance sheet. The Company adopted the provisions of FIN 45 for its fiscal year ended December 29, 2002.

In January 2003, the FASB issued Financial Interpretation No. 46 "Consolidation of Variable Interest Entities," ("FIN 46"). This interpretation addresses consolidation by business enterprises of variable interest

entities with certain defined characteristics. This interpretation applies to the first fiscal year or interim period beginning after June 15, 2003, to variable interest entities in which an enterprise holds a variable interest that it acquired before February 1, 2003. The Company has not yet determined what effect, if any, the adoption of FIN 46 will have on the results of operations and financial position of the Company.

Basis of Presentation

The statement of operations and statement of cash flows for the year ended December 29, 2002 and the consolidated balance sheet as of December 29, 2002 include the combined operations of the Company and Piedmont, reflecting the acquisition of an additional interest in Piedmont as previously discussed. Generally accepted accounting principles require that results for the other years presented, including results of operations and cash flows for the fiscal years ended December 30, 2001 and December 31, 2000 and the consolidated balance sheet as of December 30, 2001 be presented on a historical basis with the Company's investment in Piedmont accounted for under the equity method of accounting. The following management's discussion and analysis for 2002 compared to 2001 is based on the results for 2002 compared to the comparable consolidated results for the Company and Piedmont for 2001. The 2001 comparable consolidated results for the Company and Piedmont are included in Note 3 to the consolidated financial statements. Comparisons of 2001 to 2000 operating results and financial position are on a historical basis with the Company's investment in Piedmont accounted for as an equity investment for both years.

The Year in Review

The Company had a very successful year in 2002 with an increase in physical case volume of 3.4%, the introduction of several new products and packages, growth in operating cash flow of approximately 5% and another year of strong cash flow that resulted in debt repayment of approximately $66 million.

Income from operations is reconciled to operating cash flow as follows:

In Thousands	2002	Unaudited 2001
Income from operations	$ 96,266	$ 71,474
Amortization of goodwill and intangibles	2,796	23,810
Depreciation expense	76,075	71,542
Operating cash flow	$ 175,137	$ 166,826

The Company believes that operating cash flow is a useful measurement tool that is commonly used in evaluating the financial performance and in business valuation of soft drink bottlers by investors.

Volume growth of 3.4% during 2002 was driven by continued sales growth of Dasani bottled water, the success of our Fridge Pack™ twelve-pack, the introduction of Vanilla Coke, diet Vanilla Coke, diet Cherry Coke, Minute Maid Pink Lemonade and the rollout of Fanta flavors across our territory. This increase in volume for 2002 comes on top of volume growth of 4% in 2001. Net selling price per case increased by slightly less than 1% for the year. The Company's results in the fourth quarter were not as strong as experienced during the first three quarters of 2002. Unseasonably cold and wet weather throughout much of October and November, a winter ice storm in December that left over a million homes and businesses in our North Carolina and South Carolina territory without power for several days and decreased promotion of our products by two of our largest retail customers negatively impacted fourth quarter volume and operating results.

The Company reported basic net income of $22.8 million or $2.58 per share for 2002 compared with basic net income of $9.0 million or $1.03 per share for 2001. Net income for 2002 was impacted favorably by a $21.0 million pre-tax reduction in amortization expense associated with the adoption of the Statement of Financial

Accounting Standards No. 142, “Goodwill and Other Intangible Assets,” (“SFAS No. 142”) and the elimination of an accrual of $2.3 million, net of tax, related to a retirement benefit payable to J. Frank Harrison, Jr., the former Chairman of the Company, who passed away in November 2002. Net income for 2002 was reduced during the fourth quarter by a $1.3 million expense, net of tax, related to the termination of two interest rate hedging agreements. Net income for 2001 was favorably impacted by an income tax benefit of $2.9 million, which resulted from the settlement of certain income tax matters with the Internal Revenue Service.

The Company continued to benefit from declining interest rates and lower debt levels over the course of 2002. The combination of lower interest rates and reduced long-term debt balances contributed to a decline in interest expense of $8.7 million from 2001. Over the past three years, the Company has reduced its debt and capital lease obligations by almost $200 million. The Company recorded a capital lease of $41.6 million at the end of the first quarter of 2002 related to its production/distribution center located in Charlotte, North Carolina. The lease obligation was capitalized as the Company received a renewal option to extend the term of the lease, which it expects to exercise. Excluding the impact of the capitalization of this lease, the Company reduced its total debt and capital lease obligations by approximately $66 million during 2002.

Significant Events of Prior Years

On June 1, 1994, the Company executed a management agreement with South Atlantic Canners, Inc. (“SAC”), a manufacturing cooperative located in Bishopville, South Carolina. The cooperative consists solely of Coca-Cola bottlers. SAC produces bottle and can product for its members. The Company is a member of the cooperative and receives a fee for managing the day-to-day operations of SAC pursuant to a ten-year management agreement.

On July 2, 1993, the Company and The Coca-Cola Company formed Piedmont to distribute and market soft drink products of The Coca-Cola Company and other third party licensors, primarily in certain portions of North Carolina and South Carolina. The Company provides a portion of the soft drink products to Piedmont and receives a fee for managing the business of Piedmont pursuant to a management agreement. The Company and The Coca-Cola Company, through their respective subsidiaries, each beneficially owned a 50% interest in Piedmont at December 30, 2001. As previously noted, on January 2, 2002, the Company increased its ownership interest in Piedmont to 54.651% and The Coca-Cola Company’s ownership in Piedmont was reduced to 45.349%. The results of operations, financial position and cash flows of Piedmont have been consolidated with those of the Company beginning in the first quarter of 2002.

DISCUSSION OF CRITICAL ACCOUNTING POLICIES

In the ordinary course of business, the Company has made a number of estimates and assumptions relating to the reporting of results of operations and financial position in the preparation of its financial statements in conformity with accounting principles generally accepted in the United States of America. Actual results could differ significantly from those estimates under different assumptions and conditions. The Company believes that the following discussion addresses the Company’s most critical accounting policies, which are those that are most important to the portrayal of the Company’s financial condition and results of operations and require management’s most difficult, subjective and complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain.

Allowance for Doubtful Accounts

The Company evaluates the collectibility of its trade accounts receivable based on a number of factors. In circumstances where the Company becomes aware of a specific customer’s inability to meet its financial obligations to the Company, a specific reserve for bad debts is estimated and recorded which reduces the recognized receivable to the estimated amount the Company believes will ultimately be collected. In addition to

specific customer identification of potential bad debts, bad debt charges are recorded based on the Company's recent past loss history and an overall assessment of past due trade accounts receivable amounts outstanding.

Property, Plant and Equipment

Property, plant and equipment is recorded at cost and is depreciated on a straight-line basis over the estimated useful lives of such assets. Changes in circumstances such as technological advances, changes to the Company's business model or changes in the Company's capital strategy could result in the actual useful lives differing from the Company's current estimates. In those cases where the Company determines that the useful life of property, plant and equipment should be shortened, the Company would depreciate the net book value in excess of the estimated salvage value over its revised remaining useful life. Factors such as changes in the planned use of manufacturing equipment, vending equipment, transportation equipment, warehouse facilities or software could also result in shortened useful lives.

The Company evaluates long-lived assets and certain identifiable intangibles for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. When undiscounted future cash flows will not be sufficient to recover an asset's carrying amount, the asset is written down to its fair value. Long-lived assets to be disposed of other than by sale are classified as held and used until they are disposed of. Long-lived assets to be disposed of by sale are classified as held for sale and are reported at the lower of carrying amount or fair value less cost to sell, and depreciation is ceased.

Goodwill and Other Intangible Assets

During 2002, the Company adopted the provisions of Statement of Financial Accounting Standards No. 141, "Business Combinations," and SFAS No. 142. Adoption of SFAS No. 142 resulted in a reduction of amortization expense in 2002 by approximately $21.0 million on a pre-tax basis for the Company and Piedmont on a comparable basis. As of the beginning of fiscal year 2002, the Company performed an impairment test of its goodwill and intangible assets with indefinite useful lives and concluded that current fair values for recorded goodwill and intangible assets with indefinite lives exceed their respective carrying values. In the future the Company will perform an annual impairment test in the third quarter of each year or earlier if significant impairment indicators arise.

Deferred Tax Assets

The Company records a valuation allowance to reduce the carrying value of its deferred tax assets to an amount that is more likely than not to be realized. While the Company has considered future taxable income and prudent and feasible tax planning strategies in assessing the need for the valuation allowance, should the Company determine that it would not be able to realize all or part of its net deferred tax assets in the future, an adjustment to the valuation allowance would be charged to income in the period in which such determination was made. A reduction in the valuation allowance and corresponding credit to income may be required if the likelihood of realizing existing deferred tax assets were to increase.

Pension and Postretirement Benefits Obligations

The Company sponsors pension plans covering substantially all full-time nonunion employees who meet eligibility requirements. Several statistical and other factors, which attempt to anticipate future events, are used in calculating the expense and liability related to the plans. These factors include assumptions about the discount rate, expected return on plan assets, employee turnover, age at retirement and rate of future compensation increases as determined by the Company, within certain guidelines. In addition, the Company's actuarial consultants also use subjective factors such as withdrawal and mortality rates to estimate the projected benefit obligation. The actuarial assumptions used by the Company may differ materially from actual results due to changing market and economic conditions, higher or lower withdrawal rates or longer or shorter life spans of

participants. These differences may result in a significant impact to the amount of pension expense recorded by the Company in future periods. In 2002, the discount rate used in determining the actuarial present value of the projected benefit obligation for the Company's nonunion pension plans decreased to 7.00% from 7.25% in 2001 due to declining interest rates for long-term bonds.

The Company sponsors a postretirement health care plan for employees meeting specified qualifying criteria. Several statistical and other factors, which attempt to anticipate future events, are used in calculating the expense and liability for this plan. These factors include assumptions about the discount rate and the expected growth rate for the cost of health care benefits. In addition, the Company's actuarial consultants also use subjective factors such as withdrawal and mortality rates to estimate the projected liability under this plan. The actuarial assumptions used by the Company may differ materially from actual results due to changing market and economic conditions, higher or lower withdrawal rates or longer or shorter life spans of participants. These differences may result in a significant impact to the amount of expense recorded by the Company in future periods. In 2002, the discount rate used in the actuarial estimates for the Company's postretirement health care plan decreased to 6.75% from 7.25% in 2001 due to declining interest rates for long-term bonds.

RESULTS OF OPERATIONS

2002 Compared to 2001

Net Income

The Company reported basic net income of $22.8 million or $2.58 per share for the fiscal year 2002 compared with basic net income of $9.0 million or $1.03 per share for the fiscal year 2001. Net income for 2002 was impacted favorably by a $21.0 million pre-tax reduction in amortization expense associated with the adoption of SFAS No. 142 and the elimination of an accrual of $2.3 million, net of tax, related to a retirement benefit payable to J. Frank Harrison, Jr., the former Chairman of the Company, who passed away in November 2002. Net income for 2002 was reduced during the fourth quarter by a $1.3 million expense, net of tax, related to the termination of two interest rate hedging agreements. Net income for 2001 was favorably impacted by an income tax benefit of approximately $2.9 million, which resulted from the settlement of certain income tax matters with the Internal Revenue Service.

Net Sales and Gross Margin

The Company's net sales for 2002 were $1.25 billion, an increase of 4.8% compared to 2001. The increase in net sales was due to an increase in physical case volume of 3.4%, higher sales to other Coca-Cola bottlers and an increase of slightly less than 1% in net selling price per unit compared to 2001. Sales volume of carbonated beverages increased by 2.1% for 2002 over 2001. In addition, the Company continued to experience strong volume growth for its bottled water, Dasani. New packaging, including the Dasani Fridge Pack™, and increased availability in retail outlets contributed to an increase in volume of more than 40% for Dasani during 2002. The Company introduced Vanilla Coke during the second quarter of 2002 and sales results have been very positive. The Company introduced diet Vanilla Coke and diet Cherry Coke during the fourth quarter of 2002. The introduction of these additional options in the cola category led to an increase in total cola volume of approximately 1% in 2002 compared to approximately 3% in 2001. Fanta flavors and Minute Maid Lemonade, introduced in 2002, continued to favorably impact volume growth. The Company introduced Minute Maid Pink Lemonade during the third quarter. POWERade continues to show solid growth with volume increasing by approximately 22% over 2001. Noncarbonated beverages, which include bottled water, juices and isotonics, comprised approximately 10% of the Company's total sales volume in 2002 compared to approximately 8% in 2001.

The Company's products are sold and distributed directly by its employees to retail stores and other outlets. During 2002, approximately 79% of the Company's physical case volume was sold for future consumption through supermarkets, convenience stores, drug stores and mass merchandisers. The remaining 21% of the Company's volume was sold for immediate consumption through various cold drink channels. The Company's largest customer accounted for approximately 10% of the Company's total sales volume in 2002.

Gross margin increased by 5.7% for 2002. Gross margin as a percentage of net sales increased from 46.1% in 2001 to 46.5% in 2002. The improvement in gross margin as a percentage of net sales reflects modest increases in selling prices in future consumption packages offset by planned decreases in selling prices in immediate consumption packages in certain channels. These changes in selling prices have resulted in growth in revenue per case of slightly less than 1% for the year and have led to favorable shifts in channel mix, which combined with lower cost of sales on a per unit basis, have driven the increase in gross margin.

The Company relies extensively on advertising and sales promotion in the marketing of its products. The Coca-Cola Company and other beverage companies that supply concentrates, syrups and finished products to the Company make substantial marketing and advertising expenditures to promote sales in the local territories served by the Company. The Company also benefits from national advertising programs conducted by The Coca-Cola Company and other beverage companies. Certain of the marketing expenditures by The Coca-Cola Company and other beverage companies are made pursuant to annual arrangements. Although The Coca-Cola Company has advised the Company that it intends to provide marketing funding support in 2003, it is not obligated to do so under the Company's master bottle contract. Significant decreases in marketing support from The Coca-Cola Company or other beverage companies could adversely impact operating results of the Company. Marketing funding support includes direct payments to the Company from The Coca-Cola Company and other beverage companies, as well as payments to customers for marketing programs. Total direct payments to the Company combined with payments to customers for marketing programs were $64.1 million in 2002 versus $65.3 million in 2001. In 2002, The Coca-Cola Company offered through its Strategic Growth Initiative an opportunity for the Company to receive additional marketing funding subject to meeting certain volume performance requirements. Under this program, the Company could have received $6.3 million in incremental funding in 2002 as a result of its volume performance. Instead, the Company requested The Coca-Cola Company reinvest $4.0 million of this funding in additional local media and the balance of the funding, or $2.3 million, was received by the Company in cash.

Cost of Sales and Operating Expenses

Cost of sales on a per unit basis decreased by less than 1% in 2002 compared to 2001. Packaging costs decreased slightly compared to the prior year. Increases in other raw material costs have been offset largely by productivity improvements. The Company anticipates that the cost of plastic bottle containers will increase at a rate well above inflation in 2003.

S,G&A expenses for 2002 increased 6.0% from 2001. The increase in S,G&A expenses was primarily attributable to increases in employee compensation and employee benefit plans (including costs related to the Company's pension plans), increases in insurance costs, increases in marketing expenses and certain expenses related to the closing of sales distribution facilities. Nonhealth related insurance costs increased by $4.0 million or 37% during 2002. The Company anticipates that due to current market conditions, its costs associated with nonhealth related insurance will increase by approximately 12% in 2003. Costs related to the stock grant award for the Company's Chairman increased from $1.4 million in 2001 to $2.3 million in 2002, due to the increased price of the Company's stock during 2002.

Based on the performance of the overall equity markets in 2001 and lower interest rates, pension expense increased from $2.0 million in 2001 to $6.2 million in 2002. Due to continuing weakness in the equity markets in 2002 and a reduction in the anticipated future return on pension plan investments, pension expense will further increase in 2003 to approximately $9.5 million. Claim costs related to the Company's health care insurance program increased by $3.1 million or 14.1% during 2002. The Company closed eight sales distribution centers during 2002. The Company believes that these distribution center closings will reduce overall costs and improve asset productivity in the future. The Company will continue to evaluate its distribution system in an effort to optimize the process of distributing products to customers.

Depreciation expense in 2002 increased $4.5 million or 6.3% from 2001. The increase was due to amortization of a capital lease for the Company's Charlotte, North Carolina production/distribution center and

the purchase during the second quarter of 2001 of approximately $49 million of cold drink equipment that had previously been leased. The production/distribution center lease obligation was capitalized at the end of the first quarter of 2002 as the Company received a renewal option to extend the term of the lease, which it expects to exercise. The production/distribution lease was previously accounted for as an operating lease. Lease expense in 2002 related to the production/distribution center was $2.9 million. Capital expenditures during 2002 amounted to $57.3 million compared to $101.6 million in 2001. Capital expenditures during 2001 included the purchase of approximately $49 million of leased equipment as previously discussed.

Interest Expense

Interest expense for 2002 of $49.1 million decreased by $8.7 million or 15.0% from 2001. The decrease in interest expense was primarily attributable to lower average interest rates on the Company's outstanding debt and lower debt balances. Interest expense during the fourth quarter of 2002 included $2.2 million due to the termination of interest rate hedging agreements related to the Company's long-term debt that was retired early. The Company's overall weighted average interest rate decreased from an average of 6.5% during 2001 to an average of 5.6% during 2002. Debt and capital lease obligations decreased from $878.4 million at December 30, 2001 to $853.8 million at December 29, 2002. Debt and capital lease obligations at December 29, 2002 include $41.3 million attributable to a lease that was capitalized during the first quarter of 2002.

Excluding the impact of the capitalization of this lease, strong cash flow enabled the Company to repay approximately $66 million in debt and capital lease obligations during 2002.

Other Income (Expense)

Other expense for 2002 was $3.1 million compared to $2.3 million in 2001. The change in other expense from 2001 is primarily due to increased losses on the sale of property, plant and equipment in 2002. The Company recorded a provision for impairment of certain real estate of $.9 million in the fourth quarter of 2001. The impairment charge reflected an adjustment to estimated net realizable value of real estate which was no longer required for the Company's ongoing operations. Also in 2001, the Company recorded a gain of $1.1 million on the sale of certain corporate transportation equipment and a loan loss provision of $1.6 million related to an outstanding loan of its equity investee, Data Ventures, LLC.

Minority Interest

The Company recorded minority interest of $6.0 million in 2002 compared to $.4 million in 2001 related to the portion of Piedmont owned by The Coca-Cola Company. The increased amount in 2002 was due to improved operating results at Piedmont. Piedmont's operating results were favorably impacted by the reduction in amortization expense associated with the adoption of SFAS No. 142. Amortization expense decreased at Piedmont by $8.4 million in 2002 compared to 2001.

Income Taxes

The effective tax rate for federal and state income taxes was approximately 40% in 2002 versus approximately 19% in 2001. The Company's income tax rate for 2001 was favorably impacted by the $2.9 million settlement of certain income tax issues with the Internal Revenue Service. The Company anticipates that in future years, its income tax payments will increase significantly.

2001 Compared to 2000

Net Income

The Company reported basic net income of $9.5 million or $1.08 per share for fiscal year 2001 compared with basic net income of $6.3 million or $.72 per share for fiscal year 2000. Diluted net income per share for

2001 was $1.07 compared to $.71 in 2000. Net income for 2001 was favorably impacted by an income tax benefit of $2.9 million, which resulted from the settlement of certain income tax issues with the Internal Revenue Service during the year. Operating results for 2000 included nonrecurring items that increased net income for the year by $3.6 million. The nonrecurring income items in 2000 included a $5.6 million gain, net of tax, on the sale of bottling territory in Kentucky and Ohio offset partially by a provision for impairment of certain fixed assets of $2.0 million, net of tax.

Net Sales and Gross Margin

The Company's net sales for 2001 were $1.0 billion, an increase of 2.0% compared to 2000. On a constant territory basis, net sales increased by approximately 4% in 2001 due to an increase in physical case volume of 4% with net selling price relatively unchanged compared to 2000. The growth in the Company's constant territory physical case volume was attributable to several different items. Sales of carbonated soft drinks were positively impacted by the introduction of new packaging for twelve-pack cans called Fridge Pack™ and line extensions for Mello Yello and diet Coke. On a constant territory basis, volume for the Company's three largest selling brands, Coca-Cola classic, Sprite and diet Coke, increased during 2001 after volume declines during 2000.

Sales of the Company's noncarbonated beverages comprised approximately 8% of the Company's total sales volume in 2001 compared to approximately 6% in 2000. The Company experienced strong volume growth in its bottled water, Dasani. New packaging, including twelve-ounce bottles and multi-packs, contributed to an increase in volume of 52% for Dasani on a constant territory basis over 2000. New packages for POWERade, including twelve-ounce bottles, helped increase volume by 30% over prior year volume.

While the Company's gross margin as a percentage of net sales declined in 2001 compared to 2000, it was 1.5% higher in 2001 than in 1999. Gross margin as a percentage of net sales increased from 43.5% in 1999 to 46.3% in 2000 and declined to 45.0% in 2001. The decline in the gross margin percentage in 2001 as compared to 2000 was attributable to an increase in cost of sales as a result of higher raw material costs and brand mix.

Marketing funding support, which includes direct payments to the Company from The Coca-Cola Company and other beverage companies as well as payments to customers for marketing programs, was $49.4 million in 2001 as compared to $49.1 million in 2000.

Cost of Sales and Operating Expenses

Cost of sales on a per unit basis increased .9% for the year 2001 compared to 2000. Increases in raw material costs were partially offset by a package mix shift from bottles to cans and improvements in productivity.

S,G&A expenses for 2001 increased by 1.4% over the prior year on a constant territory basis. The increase in S,G&A expenses for 2001 was due primarily to higher employee compensation costs and an increase in sales development costs, offset by a reduction in lease expense resulting from the Company's purchase of certain assets that were previously leased and increased productivity. S,G&A expenses included an increase in the Company's allowance for doubtful accounts due to the bankruptcy filing of a large retail customer shortly after the end of fiscal year 2001. The Company produced, sold and delivered 4% more physical cases with 4% fewer employees in 2001.

Depreciation expense in 2001 increased $1.4 million or 2.1% on a reported basis and $1.8 million or 2.7% on a constant territory basis from 2000. The increase was due primarily to the purchase during the second quarter of 2001 of approximately $49 million of cold drink equipment that had previously been leased. This purchase was financed with the Company's lines of credit. Capital expenditures in 2001 totaled $96.7 million, which included the purchase of approximately $49 million of previously leased equipment as discussed above.

Investment in Piedmont

The Company's share of Piedmont's net income in 2001 was $.4 million compared to $2.5 million in 2000. The decrease in income from Piedmont of $2.1 million resulted primarily from an increase in operating expenses. Piedmont's operating expenses increased by $10.4 million in 2001 due to higher employee compensation costs, an increase in sales development costs and an increase in management fees paid to the Company.

Interest Expense

Interest expense for 2001 of $44.3 million decreased by $9.0 million or approximately 17% from 2000. The decrease in interest expense was attributable to lower average interest rates on the Company's outstanding debt and lower debt balances. The Company's overall weighted average interest rate decreased from an average of 7.3% during 2000 to an average of 6.5% during 2001. Debt and capital lease obligations decreased from $697.2 million at December 31, 2000 to $679.3 million at December 30, 2001. Strong cash flow from operations enabled the Company to repay approximately $18 million in debt and purchase approximately $49 million of equipment previously leased.

Other Income (Expense)

Other expense for 2001 was $2.6 million compared to other income of $3.5 million in 2000. The change in other income (expense) from 2000 was primarily due to nonrecurring items in 2000 that included a gain on the sale of bottling territory of $8.8 million, offset partially by a provision for impairment of certain fixed assets of $3.1 million.

Income Taxes

The effective tax rate for federal and state income taxes was approximately 19% in 2001 versus approximately 36% in 2000. The Company's income tax rate for 2001 was favorably impacted by the $2.9 million settlement of certain income tax issues with the Internal Revenue Service.

FINANCIAL CONDITION

Total assets increased slightly from $1.347 billion at December 30, 2001 to $1.354 billion at December 29, 2002.

Net working capital, defined as current assets less current liabilities, increased by $138.5 million to $15.1 million at December 29, 2002 from a deficit of $123.4 million at December 30, 2001. The change in working capital was primarily due to a decrease in the current portion of long-term debt of $154.2 million. The Company refinanced its current debt maturities during 2002 with the issuance of senior notes and with borrowings from its revolving credit facility. Other changes in working capital included a decrease in accounts receivable, trade of $4.8 million and a decrease in inventory of $7.2 million, offset by an increase in accounts receivable from The Coca-Cola Company of $8.0 million and an increase in other accounts receivable of $9.4 million. The decrease in accounts receivable, trade resulted from an improvement in the Company's accounts receivable collections performance combined with lower net sales in the month of December. The increase in accounts receivable from The Coca-Cola Company resulted from a difference in the timing of marketing program settlements. The reduction in inventory levels is primarily due to the focused work on our supply chain. Inventory balances declined in 2002 despite the introduction of several new products and packages. Significant changes in current liabilities included an increase of $4.1 million in accounts payable, trade and an increase in other accrued liabilities of $15.6 million. The increase in other accrued liabilities relates primarily to the timing of customer marketing payments and an increase in the current portion of the Company's pension liability.

The Company recorded a capital lease of $41.6 million at the end of the first quarter of 2002 related to its production/distribution center located in Charlotte, North Carolina. As disclosed in Note 16 to the consolidated

financial statements, this facility is leased from a related party. The lease obligation was capitalized as the Company received a renewal option to extend the term of the lease, which it expects to exercise.

Debt and capital lease obligations decreased from $878.4 million at December 30, 2001 to $853.8 million at December 29, 2002. Excluding the impact of the capitalization of the lease in the first quarter of 2002, cash flow enabled the Company to repay approximately $66 million in debt and capital lease obligations. The Company has reduced its debt and capital lease obligations by approximately $200 million over the past three years.

The Company recorded a minimum pension liability adjustment of $11.0 million, net of tax, in the fourth quarter of 2001 to reflect the difference between the fair market value of the Company's nonunion pension plan assets and the accumulated benefit obligation of the plan. The Company recorded an additional adjustment of $9.6 million, net of tax, during 2002 resulting in a cumulative charge to equity of $20.6 million as of December 29, 2002. Contributions to the Company's pension plans increased from $.3 million in 2001 to $13.5 million in 2002. The Company anticipates contributing approximately $8 million to $10 million to its nonunion pension plans during 2003.

LIQUIDITY AND CAPITAL RESOURCES

Capital Resources

Sources of capital for the Company include operating cash flows, bank borrowings, issuance of public or private debt and the issuance of equity securities. Management believes that the Company, through these sources, has sufficient financial resources available to maintain its current operations and provide for its current capital expenditure and working capital requirements, scheduled debt payments, interest and income tax payments and dividends for stockholders. The amount and frequency of future dividends will be determined by the Company's Board of Directors in light of the earnings and financial condition of the Company at such time, and no assurance can be given that dividends will be declared in the future.

If the Company completes the purchase of half of The Coca-Cola Company's remaining interest in Piedmont for approximately $53.5 million, available sources of financing for this transaction may include the Company's available lines of credit, its revolving credit facility or public debt.

The following table summarizes the Company's contractual obligations and commercial commitments as of December 29, 2002:

	Payments Due by Period				
In Thousands	Total	Next 12 Months	Years 2 and 3	Years 4 and 5	After 5 Years
Contractual obligations					
Long-term debt	$ 807,756	$ 31	$ 207,645	$ 100,080	$ 500,000
Capital lease obligations (1)	46,026	1,120	1,847	1,633	41,426
Operating leases (1)	38,044	6,944	12,125	10,198	8,777
Total contractual obligations	$ 891,826	$ 8,095	$ 221,617	$ 111,911	$ 550,203
Other commercial commitments					
Guarantees (1)	$ 34,946	$ 34,946	$ —	$ —	$ —
Standby letters of credit (1)	8,910	8,910	—	—	—
Sponsorship commitments (1)	20,914	3,090	5,805	5,020	6,999
Total commercial commitments	$ 64,770	$ 46,946	$ 5,805	$ 5,020	$ 6,999

(1) See Note 12 to the consolidated financial statements for additional information.

Investing Activities

Additions to property, plant and equipment during 2002 were $57.3 million. Capital expenditures during 2002 were funded with cash flow from operations and from borrowings under the Company's available lines of credit. Leasing is used for certain capital additions when considered cost effective relative to other sources of capital. The Company currently leases two production facilities and several distribution and administrative facilities.

At the end of 2002, the Company had no material commitments for the purchase of capital assets other than those related to normal replacement of equipment. The Company considers the acquisition of bottling territories on an ongoing basis. The Company anticipates that additions to property, plant and equipment in 2003 will be in the range of $70 million to $75 million and plans to fund such additions through cash flows from operations and its available lines of credit. The Company is in the process of initiating an upgrade of its Enterprise Resource Planning (ERP) computer software systems, which is anticipated will take four to five years to complete.

Financing Activities

In November 2002, the Company issued $150 million of ten-year senior notes at a coupon rate of 5.00%. The proceeds from this issuance were used to repay borrowings under the Company's revolving credit facility and lines of credit, and to repay a $97.5 million term loan for Piedmont. The Company filed an $800 million shelf registration for debt and equity securities in January 1999. The Company has used this shelf registration to issue $250 million of long-term debentures in 1999 and $150 million of senior notes in 2002 as discussed above. The Company currently has $400 million available for use under this shelf registration.

In December 2002, the Company entered into a new three-year, $125 million revolving credit facility. This facility includes an option to extend the term for an additional year at the participating banks' discretion. The revolving credit facility bears interest at a floating rate of LIBOR plus an interest rate spread of .60%. In addition, there is a facility fee of .15% required for this revolving credit facility. Both the interest rate spread and the facility fee are determined from a commonly used pricing grid based on the Company's long-term senior unsecured noncredit-enhanced debt rating. This new revolving credit facility replaced the Company's $170 million facility that expired in December 2002. The new facility contains covenants which establish ratio requirements related to debt, interest expense and cash flow. On December 29, 2002, there were no amounts outstanding under this new facility.

The Company also borrows periodically under its available lines of credit. These lines of credit, in the aggregate amount of $65 million at December 29, 2002, are made available at the discretion of the two participating banks and may be withdrawn at any time by such banks. The Company can utilize its $125 million revolving credit facility in the event the lines of credit are not available. The Company had borrowed $37.6 million under its lines of credit as of December 29, 2002. The lines of credit as of December 29, 2002 bore an interest rate of 1.85%.

During 2002, Piedmont refinanced a $195 million term loan using the proceeds from a loan from the Company. The Company's source of funds for this loan to Piedmont included the issuance of $150 million of senior notes, its lines of credit, its revolving credit facility and available cash flow. Piedmont pays the Company interest on the loan at the Company's average cost of funds plus .50%. The Company plans to provide for Piedmont's future financing requirements under these terms.

On May 13, 2002, the Company announced that two of its directors, J. Frank Harrison, Jr., Chairman Emeritus, and J. Frank Harrison, III, Chairman of the Board of Directors and Chief Executive Officer, had entered into plans providing for sales of up to an aggregate total of 250,000 shares of the Company's Common Stock in accordance with Securities and Exchange Commission Rule 10b5-1. Shares sold under the plans were issuable to Mr. Harrison, Jr. and Mr. Harrison, III under stock option agreements that were granted in 1989 as

long-term incentives. All 250,000 shares of Common Stock exercisable under the options were sold under the plans and the Company received proceeds of $7.2 million.

The Company's income from operations for 2002 was almost two times interest expense. This interest coverage coupled with the stability of the Company's operating cash flows are two of the key reasons the Company has been rated investment grade by both Moody's and Standard & Poor's. It is the Company's intent to operate in a manner that will allow it to maintain its investment grade ratings.

At December 29, 2002, the Company's debt ratings were as follows:

	Long-Term Debt
Standard and Poor's	BBB
Moody's	Baa

There were no changes in these debt ratings from the prior year.

With regards to the Company's $170 million term loan agreement, the Company must maintain its public debt ratings at investment grade as determined by both Moody's and Standard & Poor's. If the Company's public debt ratings fall below investment grade within 90 days after the public announcement of certain designated events and such ratings stay below investment grade for an additional 40 days, a trigger event resulting in a default occurs. The Company does not anticipate a trigger event will occur.

Off-Balance Sheet Arrangements

See Note 12 to the consolidated financial statements for details of the Company's off-balance sheet arrangements.

Interest Rate Hedging

The Company periodically uses interest rate hedging products to modify risk from interest rate fluctuations. The Company has historically altered its fixed/floating rate mix based upon anticipated cash flows from operations relative to the Company's debt level and the potential impact of changes in interest rates on the Company's overall financial condition. Sensitivity analyses are performed to review the impact on the Company's financial position and coverage of various interest rate movements. The Company does not use derivative financial instruments for trading purposes nor does it use leveraged financial instruments.

During the fourth quarter of 2002, the Company terminated two interest rate swap agreements related to long-term debt that was retired early. These swap agreements were accounted for as cash flow hedges. The Company recorded interest expense in the fourth quarter of $2.2 million related to the amounts paid upon termination of these interest rate hedging agreements.

During November 2002, the Company entered into three interest rate swap agreements in conjunction with the issuance of $150 million of senior notes and the refinancing of other Company debt as previously discussed. The new interest rate swap agreements effectively convert $150 million of the Company's debt from a fixed rate to a floating rate in conjunction with its stated strategy. During December 2002, the Company entered into four forward rate agreements, which fix short-term rates on certain components of the Company's floating rate debt for periods ranging from three to twelve months. One of these forward rate agreements was accounted for as a cash flow hedge. Three of these forward rate agreements do not meet the criteria set forth in Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended, for hedge accounting and have been accounted for on a mark-to-market basis. The mark-to-market adjustment for these forward rate agreements is included as an adjustment to interest expense

and was not material in 2002. The Company entered into an additional $50 million, one-year forward rate agreement subsequent to fiscal year end.

In October 2001, the Company terminated two interest rate swaps with a total notional amount of $100 million. The gain of $6.7 million from the termination of these swaps is being amortized as an adjustment to interest expense over the remaining term of the related debt instrument that was being hedged.

During 2002, interest expense was $1.9 million lower due to amortization of the deferred gains on previously terminated interest rate swap agreements. Interest expense will be reduced by the amortization of these deferred gains in 2003 through 2009 as follows: $1.9 million, $1.7 million, $1.5 million, $1.5 million, $1.5 million, $1.5 million and $.6 million, respectively.

The weighted average interest rate of the Company's debt and capital lease obligations as of December 29, 2002 was 5.0% compared to 5.7% at the end of 2001. The Company's overall weighted average interest rate on its debt and capital lease obligations in 2002 decreased to 5.6% from 6.5% in 2001. Before giving effect to forward rate agreements, approximately 47% of the Company's debt and capital lease obligations of $853.8 million as of December 29, 2002 was maintained on a floating rate basis and was subject to changes in short-term interest rates. As a result of the aforementioned forward rate agreements, the Company's exposure to interest rate movements has been significantly reduced for 2003 and the Company estimates that interest expense for 2003 will approximate $43 million, a reduction of over $6 million from 2002.

An increase in interest rates of 1% in 2002 would have resulted in an increase in interest expense of approximately $2 million on a pre-tax basis.

FORWARD-LOOKING STATEMENTS

This Annual Report to Stockholders, as well as information included in future filings by the Company with the Securities and Exchange Commission and information contained in written material, press releases and oral statements issued by or on behalf of the Company, contains, or may contain, several forward-looking management comments and other statements that reflect management's current outlook for future periods. These statements include, among others, statements relating to: the consolidation of results of operations, financial position and cash flows of Piedmont with those of the Company; the Company's anticipated purchase of half of The Coca-Cola Company's remaining interest in Piedmont and financing thereof; increases in pension expense; anticipated return on pension plan investments; the Company's estimate of interest expense for 2003; anticipated costs associated with nonhealth and health related insurance; the Company's ability to utilize net operating loss carryforwards; the Company's belief that other parties to certain contractual arrangements will perform their obligations; potential marketing funding support from The Coca-Cola Company; the Company's belief that the risk of loss with respect to funds deposited with banks is minimal; sufficiency of financial resources; anticipated additions to property, plant and equipment; expectations regarding future income tax payments; estimated annual purchases under the Company's aluminum can agreement; the Company's belief that disposition of certain litigation and claims will not have a material adverse effect; the Company's expectation of exercising its option to extend certain lease obligations; effects of closing of distribution centers; the Company's intention to continue to evaluate its distribution system in an effort to optimize the process of distributing products; the effects of the upgrade of ERP systems; management's belief that the Company has sufficient financial resources to maintain current operations and provide for its current capital expenditures and working capital requirements, scheduled debt payments, interest and income tax payments and dividends for stockholders; the Company's intention to operate in a manner to maintain its investment grade ratings; the Company's belief that neither SAC or Southeastern Container will fail to fulfill their commitments under their respective debt and lease agreements; providing for Piedmont's future financing requirements and management's belief that a trigger event will not occur under the Company's $170 million term loan agreement. These statements and expectations are based on the current available competitive, financial and economic data along with the Company's operating plans, and are subject to future events and uncertainties. Among the events or uncertainties which could adversely affect

future periods are: lower than expected net pricing resulting from increased marketplace competition; changes in how significant customers market our products; an inability to meet performance requirements for expected levels of marketing funding support payments from The Coca-Cola Company or other beverage companies; reduced marketing and advertising spending by The Coca-Cola Company or other beverage companies; an inability to meet requirements under bottling contracts; the inability of our aluminum can or PET bottle suppliers to meet our demand; material changes from expectations in the cost of raw materials; higher than expected insurance premiums; lower than anticipated return on pension plan assets; higher than anticipated health care costs; higher than expected fuel prices; unfavorable interest rate fluctuations; terrorist attacks, war or other civil disturbances; changes in financial markets and an inability to meet projections in acquired bottling territories.

Item 7A. ***Quantitative and Qualitative Disclosures about Market Risk***

The Company is exposed to certain market risks that arise in the ordinary course of business. The Company may enter into derivative financial instrument transactions to manage or reduce market risk. The Company does not enter into derivative financial instrument transactions for trading purposes. A discussion of the Company's primary market risk exposure is presented below.

Long-Term Debt and Interest Rate Risk

The Company is subject to interest rate risk on its long-term fixed interest rate debt. Borrowings under lines of credit, other variable rate long-term debt and variable rate leases do not give rise to significant interest rate risk because these borrowings either have maturities of less than three months or have variable interest rates. All other things being equal, the fair market value of the Company's debt with a fixed interest rate will increase as interest rates decline and the fair market value of the Company's debt will decrease as interest rates rise. This exposure to interest rate risk is generally managed by borrowing funds with a variable interest rate or using interest rate swaps to effectively change fixed interest rate borrowings to variable interest rate borrowings. The Company generally maintains between 40% and 60% of total borrowings at variable interest rates after taking into account all of the interest rate hedging activities. While this is the target range, the financial position of the Company and market conditions may result in strategies outside of this range at certain points in time. Before giving effect to forward rate agreements, approximately 47% of the Company's debt and capital lease obligations of $853.8 million as of December 29, 2002 was subject to changes in short-term interest rates.

As it relates to the Company's variable rate debt and variable rate leases, if market interest rates average 1% more in 2003 than the rates as of December 29, 2002, interest expense for 2003 would increase by $1.0 million. If market interest rates had averaged 1% more in 2002 than the rates at December 30, 2001, interest expense for 2002 would have increased by $2.0 million. These amounts were determined by calculating the effect of the hypothetical interest rate on our variable rate debt and variable rate leases after giving consideration to all our interest rate hedging activities. This sensitivity analysis assumes that there are no changes in the Company's financial structure.

Raw Material and Commodity Price Risk

The Company is subject to commodity price risk arising from price movements for certain commodities included as part of its raw materials. The Company generally manages this risk by entering into long-term contracts with adjustable prices. The Company has not used derivative commodity instruments in the management of this risk.

Effect of Changing Prices

The principal effect of inflation on the Company's operating results is to increase costs. Subject to normal competitive market conditions, the Company believes it has the ability to raise selling prices to offset these cost increases over time.

Item 8. ***Financial Statements and Supplementary Data***

COCA-COLA BOTTLING CO. CONSOLIDATED
CONSOLIDATED STATEMENTS OF OPERATIONS

In Thousands (Except Per Share Data)	Fiscal Year 2002	2001	2000
Net sales (includes sales to Piedmont of $71,170 and $69,539 in 2001 and 2000)	$ 1,246,591	$ 989,188	$ 969,937
Cost of sales, excluding depreciation shown below (includes $53,033 and $53,463 in 2001 and 2000 related to sales to Piedmont)	667,260	544,528	520,600
Gross margin	579,331	444,660	449,337
Selling, general and administrative expenses, excluding depreciation shown below	404,194	304,565	310,215
Depreciation expense	76,075	66,134	64,751
Amortization of goodwill and intangibles	2,796	15,296	14,712
Income from operations	96,266	58,665	59,659
Interest expense	49,120	44,322	53,346
Other income (expense), net	(3,084)	(2,647)	3,522
Minority interest	5,992		
Income before income taxes	38,070	11,696	9,835
Income taxes	15,247	2,226	3,541
Net income	$ 22,823	$ 9,470	$ 6,294
Basic net income per share	$ 2.58	$ 1.08	$ .72
Diluted net income per share	$ 2.56	$ 1.07	$ .71
Weighted average number of common shares outstanding	8,861	8,753	8,733
Weighted average number of common shares outstanding—assuming dilution	8,921	8,821	8,822

See Accompanying Notes to Consolidated Financial Statements.

COCA-COLA BOTTLING CO. CONSOLIDATED

CONSOLIDATED BALANCE SHEETS

In Thousands (Except Share Data)	Dec. 29, 2002	Dec. 30, 2001
ASSETS		
Current assets:		
Cash	$ 18,193	$ 16,912
Accounts receivable, trade, less allowance for doubtful accounts of $1,676 and $1,863	79,548	63,974
Accounts receivable from The Coca-Cola Company	12,992	3,935
Accounts receivable, other	17,001	5,253
Inventories	38,648	39,916
Prepaid expenses and other current assets	4,588	3,068
Total current assets	170,970	133,058
Property, plant and equipment, net	466,840	457,306
Leased property under capital leases, net	44,623	5,383
Investment in Piedmont Coca-Cola Bottling Partnership		60,203
Other assets	58,167	62,451
Franchise rights, net	504,374	261,969
Goodwill, net	101,754	75,376
Other identifiable intangible assets, net	6,797	8,713
Total	$ 1,353,525	$ 1,064,459

See Accompanying Notes to Consolidated Financial Statements.

COCA-COLA BOTTLING CO. CONSOLIDATED

	Dec. 29, 2002	Dec. 30, 2001
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Portion of long-term debt payable within one year	$ 31	$ 56,708
Current portion of obligations under capital leases	3,960	1,489
Accounts payable, trade	38,303	28,370
Accounts payable to The Coca-Cola Company	9,823	7,925
Other accrued liabilities	72,647	49,169
Due to Piedmont Coca-Cola Bottling Partnership		24,682
Accrued compensation	20,462	17,350
Accrued interest payable	10,649	11,878
Total current liabilities	155,875	197,571
Deferred income taxes	155,964	133,743
Pension and postretirement benefit obligations	37,227	37,203
Other liabilities	58,261	57,770
Obligations under capital leases	42,066	935
Long-term debt	807,725	620,156
Total liabilities	1,257,118	1,047,378
Commitments and Contingencies (Note 12)		
Minority interest	63,540	
Stockholders' Equity:		
Convertible Preferred Stock, $100.00 par value:		
Authorized-50,000 shares; Issued-None		
Nonconvertible Preferred Stock, $100.00 par value:		
Authorized-50,000 shares; Issued-None		
Preferred Stock, $.01 par value:		
Authorized-20,000,000 shares; Issued-None		
Common Stock, $1.00 par value:		
Authorized-30,000,000 shares; Issued-9,704,851 and 9,454,651 shares	9,704	9,454
Class B Common Stock, $1.00 par value:		
Authorized-10,000,000 shares; Issued-3,008,966 and 2,989,166 shares	3,009	2,989
Class C Common Stock, $1.00 par value:		
Authorized-20,000,000 shares; Issued-None		
Capital in excess of par value	95,986	91,004
Retained earnings (accumulated deficit)	6,043	(12,307)
Accumulated other comprehensive loss	(20,621)	(12,805)
	94,121	78,335
Less-Treasury stock, at cost:		
Common-3,062,374 shares	60,845	60,845
Class B Common-628,114 shares	409	409
Total stockholders' equity	32,867	17,081
Total	$ 1,353,525	$ 1,064,459

See Accompanying Notes to Consolidated Financial Statements.

COCA-COLA BOTTLING CO. CONSOLIDATED

CONSOLIDATED STATEMENTS OF CASH FLOWS

In Thousands	Fiscal Year 2002	2001	2000
Cash Flows from Operating Activities			
Net income	$ 22,823	$ 9,470	$ 6,294
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation expense	76,075	66,134	64,751
Amortization of goodwill and intangibles	2,796	15,296	14,712
Deferred income taxes	14,953	888	1,319
Gain on sale of bottling territory			(8,829)
Provision for impairment of property, plant and equipment		947	3,066
Losses on sale of property, plant and equipment	3,381	1,297	2,284
Amortization of debt costs	809	830	938
Amortization of deferred gain related to terminated interest rate swaps	(1,927)	(1,183)	(819)
Undistributed earnings of Piedmont		(417)	(2,514)
Minority interest	5,992		
(Increase) decrease in current assets less current liabilities	(5,832)	44,418	(10,002)
(Increase) decrease in other noncurrent assets	12,700	(9,809)	9,164
Increase (decrease) in other noncurrent liabilities	545	(6,010)	3,868
Other	(357)	82	58
Total adjustments	109,135	112,473	77,996
Net cash provided by operating activities	131,958	121,943	84,290
Cash Flows from Financing Activities			
Proceeds from the issuance of long-term debt	150,000		
Repayment of current portion of long-term debt	(251,708)	(2,385)	(26,750)
Proceeds from (repayment of) lines of credit, net	37,600	(12,900)	(33,700)
Cash dividends paid	(8,861)	(8,753)	(8,733)
Principal payments on capital lease obligations	(1,748)	(2,868)	(4,528)
Termination of interest rate swap agreements	(2,229)	6,704	(292)
Debt issuance costs paid	(3,617)		
Proceeds from exercise of stock options	7,162		
Other	1,214	(230)	(387)
Net cash used in financing activities	(72,187)	(20,432)	(74,390)
Cash Flows from Investing Activities			
Additions to property, plant and equipment	(57,317)	(96,684)	(49,168)
Proceeds from the sale of property, plant and equipment	7,506	3,660	16,366
Acquisitions of companies, net of cash acquired	(8,679)		(723)
Proceeds from sale of bottling territory			23,000
Net cash used in investing activities	(58,490)	(93,024)	(10,525)
Net increase (decrease) in cash	1,281	8,487	(625)
Cash at beginning of year	16,912	8,425	9,050
Cash at end of year	$ 18,193	$ 16,912	$ 8,425
Significant non-cash investing and financing activities			
Capital lease obligations incurred	$ 42,180	$ 456	$ 1,313
Issuance of Class B Common Stock in connection with stock award	768	757	

See Accompanying Notes to Consolidated Financial Statements.

COCA-COLA BOTTLING CO. CONSOLIDATED

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

In Thousands	Common Stock	Class B Common Stock	Capital in Excess of Par Value	Retained Earnings (Accum. Deficit)	Accumulated Other Comprehensive Loss	Treasury Stock	Total
Balance on January 2, 2000	$ 9,454	$ 2,969	$ 107,753	$ (28,071)	$ —	$(61,254)	$ 30,851
Net income				6,294			6,294
Cash dividends paid			(8,733)				(8,733)
Balance on December 31, 2000	$ 9,454	$ 2,969	$ 99,020	$ (21,777)	$ —	$(61,254)	$ 28,412
Comprehensive income (loss):							
Net income				9,470			9,470
Change in fair market value of cash flow hedges, net of tax					4		4
Proportionate share of Piedmont's accum. other comprehensive loss at adoption of SFAS 133, net of tax					(947)		(947)
Change in proportionate share of Piedmont's accum. other comprehensive loss, net of tax					(878)		(878)
Minimum pension liability adjustment, net of tax					(10,984)		(10,984)
Total comprehensive income (loss)							(3,335)
Cash dividend paid			(8,753)				(8,753)
Issuance of Class B Common Stock		20	737				757
Balance on December 30, 2001	$ 9,454	$ 2,989	$ 91,004	$ (12,307)	$ (12,805)	$(61,254)	$ 17,081
Comprehensive income (loss):							
Net income				22,823			22,823
Change in fair market value of cash flow hedges, net of tax					(4)		(4)
Change in proportionate share of Piedmont's accum. other comprehensive loss, net of tax					1,825		1,825
Minimum pension liability adjustment, net of tax					(9,637)		(9,637)
Total comprehensive income (loss)							15,007
Cash dividends paid			(4,388)	(4,473)			(8,861)
Issuance of Class B Common Stock		20	748				768
Exercise of stock options	250		6,912				7,162
Tax adjustment related to stock options			1,710				1,710
Balance on December 29, 2002	$ 9,704	$ 3,009	$ 95,986	$ 6,043	$ (20,621)	$(61,254)	$ 32,867

See Accompanying Notes to Consolidated Financial Statements.

(1) *Significant Accounting Policies*

Coca-Cola Bottling Co. Consolidated (the "Company") is engaged in the production, marketing and distribution of carbonated and noncarbonated beverages, primarily products of The Coca-Cola Company. The Company operates in portions of 11 states, principally in the southeastern region of the United States.

The consolidated financial statements include the accounts of the Company and its majority owned subsidiaries. All significant intercompany accounts and transactions have been eliminated. Acquisitions recorded as purchases are included in the statement of operations from the date of acquisition.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The fiscal years presented are the 52-week periods ended December 29, 2002, December 30, 2001 and December 31, 2000. The Company's fiscal year ends on the Sunday closest to December 31.

On January 2, 2002, the Company purchased an additional interest in Piedmont Coca-Cola Bottling Partnership ("Piedmont") from The Coca-Cola Company, increasing the Company's ownership in Piedmont to more than 50%. Due to the increase in ownership, the results of operations, financial position and cash flows of Piedmont have been consolidated with those of the Company beginning in the first quarter of 2002. The Company's investment in Piedmont had been accounted for using the equity method for 2001 and prior years.

Certain prior year amounts have been reclassified to conform to current year classifications.

The Company's significant accounting policies are as follows:

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, cash in banks and cash equivalents, which are highly liquid debt instruments with maturities of less than 90 days. The Company maintains cash deposits with major banks which from time to time may exceed federally insured limits. The Company periodically assesses the financial condition of the institutions and believes that the risk of any loss is minimal.

Credit Risk of Trade Accounts Receivable

The Company sells its products to large retail chain stores and other customers and extends credit, generally without requiring collateral, based on an ongoing evaluation of the customer's business prospects and financial condition. The Company monitors its exposure to losses on trade accounts receivable and maintains an allowance for potential losses or adjustments. The Company's trade accounts receivable are typically collected within approximately 30 days from the date of sale.

Inventories

Inventories are stated at the lower of cost, determined on the first-in, first-out method or market.

Property, Plant and Equipment

Property, plant and equipment are recorded at cost and depreciated using the straight-line method over the estimated useful lives of the assets. Additions and major replacements or betterments are added to the assets at

cost. Maintenance and repair costs and minor replacements are charged to expense when incurred. When assets are replaced or otherwise disposed of, the cost and accumulated depreciation are removed from the accounts and the gains or losses, if any, are reflected in income.

Software

Certain costs incurred in the development of internal-use software are capitalized. Software is amortized using the straight-line method over its estimated useful life.

Investment in Piedmont Coca-Cola Bottling Partnership

Prior to January 2, 2002, the Company beneficially owned a 50% interest in Piedmont. The Company accounted for its interest in Piedmont using the equity method of accounting. With respect to Piedmont, sales of soft drink products at cost, management fee revenue and the Company's share of Piedmont's results from operations were included in "Net sales" for 2001 and 2000. See Note 3 and Note 16 to the consolidated financial statements for additional information.

On January 2, 2002, the Company purchased an additional 4.651% interest in Piedmont from The Coca-Cola Company, increasing the Company's ownership to 54.651%. As a result of the increase in ownership, the results of operations, financial position and cash flows of Piedmont are consolidated with those of the Company beginning in the first quarter of 2002. See Note 3 to the consolidated financial statements for additional information.

Revenue Recognition

Revenues are recognized when finished products are delivered to customers and both title and the risks and rewards of ownership are transferred. Appropriate provision is made for uncollectible accounts.

Income Taxes

The Company provides deferred income taxes for the tax effects of temporary differences between the financial reporting and income tax bases of the Company's assets and liabilities. The Company records a valuation allowance to reduce the carrying value of its deferred tax assets to an amount that is more likely than not to be realized.

Pension and Postretirement Benefit Plans

The Company has a noncontributory pension plan covering substantially all nonunion employees and one noncontributory pension plan covering certain union employees. Costs of the plans are charged to current operations and consist of several components of net periodic pension cost based on various actuarial assumptions regarding future experience of the plans. In addition, certain other union employees are covered by plans provided by their respective union organizations. The Company expenses amounts as paid in accordance with union agreements. The Company recognizes the cost of postretirement benefits, which consist principally of medical benefits, during employees' periods of active service.

Amounts recorded for benefit plans reflect estimates related to future interest rates, investment returns, employee turnover, wage increases and health care costs. The Company reviews all assumptions and estimates on an ongoing basis.

The Company records an additional minimum pension liability, when necessary, for the amount of underfunded pension obligations in excess of accrued pension costs.

Franchise Rights and Goodwill

The Company adopted the provisions of Statement of Financial Accounting Standards No. 141, "Business Combinations," and Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets," ("SFAS No. 142") at the beginning of 2002. These standards require that all business combinations be accounted for using the purchase method and that goodwill and intangible assets with indefinite useful lives not be amortized but instead be tested for impairment annually.

Other Identifiable Intangible Assets

Other identifiable intangible assets include customer lists and are amortized on a straight-line basis over their estimated useful lives.

Impairment of Long-lived Assets

The Company evaluates long-lived assets and certain identifiable intangibles for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. When undiscounted future cash flows will not be sufficient to recover an asset's carrying amount, the asset is written down to its fair value. Long-lived assets to be disposed of other than by sale are classified as held and used until they are disposed of. Long-lived assets to be disposed of by sale are classified as held for sale and are reported at the lower of carrying amount or fair value less cost to sell, and depreciation is ceased.

Net Income Per Share

Basic earnings per share ("EPS") excludes dilution and is computed by dividing net income available for common stockholders by the weighted average number of Common and Class B Common shares outstanding. Diluted EPS gives effect to all securities representing potential common shares that were dilutive and outstanding during the period.

Derivative Financial Instruments

On January 1, 2001, the Company adopted Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended ("SFAS No. 133"), which requires that all derivative instruments be recognized in the financial statements at fair value. The adoption of SFAS No. 133 did not have a significant impact on the results of operations, financial position or cash flows during 2001.

The Company uses derivative financial instruments to manage its exposure to movements in interest rates. The use of these financial instruments modifies the exposure of these risks with the intent to reduce the risk to the Company. The Company does not use financial instruments for trading purposes, nor does it use leveraged financial instruments. Credit risk related to the derivative financial instruments is considered minimal and is managed by requiring high credit standards for its counterparties and periodic settlements.

Changes in fair value of derivative financial instruments are recorded as adjustments to the assets or liabilities being hedged in the statement of operations or in accumulated other comprehensive income (loss), depending on whether the derivative is designated and qualifies for hedge accounting, the type of hedge transaction represented and the effectiveness of the hedge.

The Company discontinues hedge accounting prospectively when (1) it determines that the derivative instrument is no longer effective in offsetting changes in the fair value or cash flows of the underlying exposure being hedged; (2) the derivative instrument expires or is sold, terminated or exercised; or (3) the Company determines that designating the derivative instrument as a hedge is no longer appropriate.

Insurance Programs

In general, the Company is self-insured for costs of casualty claims and medical claims. The Company uses commercial insurance for casualty claims and medical claims as a risk reduction strategy to minimize catastrophic losses. Casualty losses are provided for using actuarial assumptions and procedures followed in the insurance industry, adjusted for company-specific history and expectations.

Marketing Funding Support

The Company directs various marketing programs supported by The Coca-Cola Company or other franchisers. Under these programs, certain costs incurred by the Company are reimbursed by the applicable franchiser. Franchiser funding received by the Company is recognized when performance measures are met or as funded costs are incurred.

(2) ***Acquisitions and Divestitures***

On September 29, 2000, the Company sold substantially all of its bottling territory in the states of Kentucky and Ohio to Coca-Cola Enterprises Inc. (“CCE”). The Company received cash proceeds of $23.0 million related to the sale of this territory and certain other operating assets. The Company recorded a pre-tax gain of $8.8 million as a result of this sale. The bottling territory sold represented approximately 3% of the Company’s 2000 annual sales volume.

(3) ***Investment in Piedmont Coca-Cola Bottling Partnership***

On July 2, 1993, the Company and The Coca-Cola Company formed Piedmont to distribute and market carbonated and noncarbonated beverages primarily in certain portions of North Carolina and South Carolina. Prior to January 2, 2002, the Company and The Coca-Cola Company, through their respective subsidiaries, each beneficially owned a 50% interest in Piedmont. The Company provides a portion of the soft drink products for Piedmont at cost and receives a fee for managing the operations of Piedmont pursuant to a management agreement.

On January 2, 2002, the Company purchased for $10.0 million an additional 4.651% interest in Piedmont from The Coca-Cola Company, increasing the Company’s ownership in Piedmont to 54.651%. Due to the increase in ownership, the results of operations, financial position and cash flows of Piedmont have been consolidated with those of the Company beginning in the first quarter of 2002. The excess of the purchase price over the net book value of the interest of Piedmont acquired was $4.4 million and has been recorded principally as an addition to franchise rights. The Company’s investment in Piedmont had been accounted for using the equity method in 2001 and prior years.

(3) ***Investment in Piedmont Coca-Cola Bottling Partnership (Continued)***

Summarized financial information for Piedmont was as follows:

In Thousands	Dec. 29, 2002	Dec. 30, 2001
Current assets	$ 31,571	$ 31,116
Noncurrent assets	310,128	309,664
Total assets	$ 341,699	$ 340,780
Current liabilities	$ 23,757	$ 114,132
Noncurrent liabilities	178,434	106,242
Total liabilities	202,191	220,374
Partners' equity	139,508	126,294
Accumulated other comprehensive loss		(5,888)
Total liabilities and partners' equity	$ 341,699	$ 340,780
Company's equity investment		$ 60,203

	Fiscal Year		
In Thousands	2002	2001	2000
Net sales	$ 301,333	$ 282,957	$ 277,217
Cost of sales	156,244	149,999	144,170
Gross margin	145,089	132,958	133,047
Amortization of goodwill and intangibles		8,410	8,410
Income from operations	24,359	13,330	18,948
Net income	$ 13,214	$ 834	$ 5,028
Company's equity in net income		$ 417	$ 2,514

(3) ***Investment in Piedmont Coca-Cola Bottling Partnership (Continued)***

The following financial information includes the 2002 consolidated financial position and results of operations of the Company and includes the comparable 2001 consolidated financial position and results of operations. The 2001 comparable financial information reflects the consolidation of Piedmont's financial position and results of operations with those of the Company as if the purchase of the additional interest in Piedmont for $10 million had occurred at the beginning of 2001.

Consolidated Statements of Operations

	Fiscal Year	
	2002	Unaudited 2001*
In Thousands (Except Per Share Data)		
Net sales	$ 1,246,591	$ 1,189,577
Cost of sales, excluding depreciation shown below	667,260	641,494
Gross margin	579,331	548,083
Selling, general and administrative expenses, excluding depreciation shown below	404,194	381,257
Depreciation expense	76,075	71,542
Amortization of goodwill and intangibles	2,796	23,810
Income from operations	96,266	71,474
Interest expense	49,120	57,802
Other income (expense), net	(3,084)	(2,313)
Minority interest	5,992	378
Income before income taxes	38,070	10,981
Federal and state income taxes	15,247	1,947
Net income	$ 22,823	$ 9,034
Basic net income per share	$ 2.58	$ 1.03
Diluted net income per share	$ 2.56	$ 1.02
Weighted average number of common shares outstanding	8,861	8,753
Weighted average number of common shares outstanding—assuming dilution	8,921	8,821

* Certain prior year amounts have been reclassified to conform to current year classifications and include the results of operations of Piedmont as if it were consolidated with that of the Company beginning January 1, 2001.

(3) ***Investment in Piedmont Coca-Cola Bottling Partnership (Continued)***

Consolidated Balance Sheets

In Thousands	Dec. 29, 2002	Unaudited Dec. 30, 2001*
Assets		
Current Assets:		
Cash	$ 18,193	$ 18,210
Accounts receivable, trade, net	79,548	84,384
Accounts receivable from The Coca-Cola Company	12,992	5,004
Accounts receivable, other	17,001	7,603
Inventories	38,648	45,812
Prepaid expenses and other current assets	4,588	3,211
Total current assets	170,970	164,224
Property, plant and equipment	842,994	822,096
Less-Accumulated depreciation and amortization	376,154	332,942
Property, plant and equipment, net	466,840	489,154
Leased property under capital leases	47,618	20,424
Less-Accumulated amortization	2,995	10,109
Leased property under capital leases, net	44,623	10,315
Other assets	58,167	68,067
Franchise rights, less accumulated amortization of $156,097 and $156,097	505,374	505,938
Goodwill, less accumulated amortization of $54,438 and $54,438	100,754	100,395
Other identifiable intangible assets, less accumulated amortization of $48,946 and $46,151	6,797	8,713
Total	$ 1,353,525	$ 1,346,806

* Certain prior year amounts have been reclassified to conform to current year classifications and include the financial position of Piedmont as if it were consolidated with that of the Company beginning January 1, 2001.

In Thousands	Dec. 29, 2002	Unaudited Dec. 30, 2001*
Liabilities and Stockholders' Equity		
Current Liabilities:		
Portion of long-term debt payable within one year	$ 31	$ 154,208
Current portion of obligations under capital leases	3,960	2,466
Accounts payable, trade	38,303	34,214
Accounts payable to The Coca-Cola Company	9,823	8,193
Other accrued liabilities	72,647	56,998
Accrued compensation	20,462	17,946
Accrued interest payable	10,649	13,646
Total current liabilities	155,875	287,671
Deferred income taxes	155,964	157,739
Pension and postretirement benefit obligations	37,227	34,862
Other liabilities	58,261	63,767
Obligations under capital leases	42,066	4,033
Long-term debt	807,725	727,656
Total liabilities	1,257,118	1,275,728
Minority interest	63,540	54,603
Stockholders' Equity:		
Common Stock	9,704	9,454
Class B Common Stock	3,009	2,989
Capital in excess of par value	95,986	91,004
Retained earnings (accumulated deficit)	6,043	(12,743)
Accumulated other comprehensive loss	(20,621)	(12,975)
	94,121	77,729
Less-Treasury stock, at cost:		
Common	60,845	60,845
Class B Common	409	409
Total stockholders' equity	32,867	16,475
Total	$ 1,353,525	$ 1,346,806

(4) ***Inventories***

Inventories were summarized as follows:

In Thousands	Dec. 29, 2002	Dec. 30, 2001
Finished products	$ 23,207	$ 23,637
Manufacturing materials	10,609	11,893
Plastic pallets and other	4,832	4,386
Total inventories	$ 38,648	$ 39,916

(5) ***Property, Plant and Equipment***

The principal categories and estimated useful lives of property, plant and equipment were as follows:

In Thousands	Dec. 29, 2002	Dec. 30, 2001	Estimated Useful Lives
Land	$ 12,670	$ 11,158	
Buildings	113,234	95,338	10-50 years
Machinery and equipment	96,080	93,658	5-20 years
Transportation equipment	143,932	130,016	4-13 years
Furniture and fixtures	39,222	36,350	4-10 years
Vending equipment	362,689	334,975	6-13 years
Leasehold and land improvements	47,312	40,969	5-20 years
Software for internal use	24,439	21,850	3-7 years
Construction in progress	3,416	1,908	
Total property, plant and equipment, at cost	842,994	766,222	
Less: Accumulated depreciation and amortization	376,154	308,916	
Property, plant and equipment, net	$ 466,840	$ 457,306	

In the fourth quarter of 2001, the Company recorded a provision for impairment of certain real estate for $.9 million, which was classified in “Other income (expense), net.” The impairment charge reflects an adjustment to estimated net realizable value of certain real estate, which was no longer required for the Company’s ongoing operations.

(6) ***Leased Property Under Capital Leases***

In Thousands	Dec 29, 2002	Dec 30, 2001	Estimated Useful Lives
Leased property under capital leases	$ 47,618	$ 12,265	1-29 years
Less: Accumulated amortization	2,995	6,882	
Leased property under capital leases, net	$ 44,623	$ 5,383	

The Company recorded a capital lease of $41.6 million at the end of the first quarter of 2002 related to its production/distribution center located in Charlotte, North Carolina. As disclosed in Note 16 to the consolidated financial statements, this facility is leased from a related party. The lease obligation was capitalized as the Company received a renewal option to extend the term of the lease, which it expects to exercise.

(7) ***Franchise Rights and Goodwill***

In Thousands	Dec. 29, 2002	Dec. 30, 2001
Franchise rights	$ 661,471	$ 353,388
Goodwill	155,192	123,094
Franchise rights and goodwill	816,663	476,482
Less: Accumulated amortization	210,535	139,137
Franchise rights and goodwill, net	$ 606,128	$ 337,345

The Company adopted the provisions of SFAS No. 142 at the beginning of 2002, which resulted in goodwill and intangible assets with indefinite useful lives no longer being amortized. As a result of this adoption, amortization expense in 2002 decreased by $12.6 million. If SFAS No. 142 had been in effect at the beginning of 2000, amortization expense would have decreased by $12.6 million and $12.0 million in 2001 and 2000, respectively.

The significant increase in franchise rights and goodwill in 2002 relates primarily to the consolidation of Piedmont's financial position with that of the Company beginning in the first quarter of 2002.

(8) ***Other Identifiable Intangible Assets***

In Thousands	Dec. 29, 2002	Dec. 30, 2001	Estimated Useful Lives
Customer lists	$ 55,743	$ 54,864	3-20 years
Less: Accumulated amortization	48,946	46,151	
Other identifiable intangible assets, net	$ 6,797	$ 8,713	

Amortization expense related to customer lists was $2.8 million, $3.0 million and $2.7 million for 2002, 2001 and 2000, respectively. Amortization expense of customer lists in future years based upon recorded values as of December 29, 2002 will be $2.8 million, $2.7 million, $.5 million, $.2 million and $.1 million for 2003 through 2007, respectively.

(9) ***Long-Term Debt***

Long-term debt was summarized as follows:

In Thousands	Maturity	Interest Rate	Interest Paid	Dec. 29, 2002	Dec. 30, 2001
Lines of Credit	2005	1.85%	Varies	$ 37,600	$
Term Loan Agreement	2004	1.95%	Varies	85,000	85,000
Term Loan Agreement	2005	1.95%	Varies	85,000	85,000
Medium-Term Notes	2002				47,000
Debentures	2007	6.85%	Semi-annually	100,000	100,000
Debentures	2009	7.20%	Semi-annually	100,000	100,000
Debentures	2009	6.38%	Semi-annually	250,000	250,000
Senior Notes	2012	5.00%	Semi-annually	150,000	
Other notes payable	2003-2006	5.75%	Quarterly	156	9,864
				807,756	676,864
Less: Portion of long-term debt payable within one year				31	56,708
Long-term debt				$ 807,725	$ 620,156

The principal maturities of long-term debt outstanding on December 29, 2002 were as follows:

In Thousands	
2003	$ 31
2004	85,025
2005	122,620
2006	80
2007	100,000
Thereafter	500,000
Total long-term debt	$ 807,756

The Company borrows periodically under its available lines of credit. These lines of credit, in the aggregate amount of $65 million at December 29, 2002, are made available at the discretion of the two participating banks at rates negotiated at the time of borrowing and may be withdrawn at any time by such banks. The Company intends to renew such borrowings as they mature. To the extent these borrowings and borrowings under the revolving credit facility do not exceed the amount available under the Company's $125 million revolving credit facility, they are classified as noncurrent liabilities. On December 29, 2002, $37.6 million was outstanding under these lines of credit. The Company intends to refinance short-term debt maturities with currently available lines of credit.

In December 2002, the Company entered into a new three-year $125 million revolving credit facility. This facility includes an option to extend the term for an additional year at the participating banks' discretion. The revolving credit facility bears interest at a floating rate of LIBOR plus an interest rate spread of .60%. In addition, there is a facility fee of .15% required for this revolving credit facility. Both the interest rate spread and the facility fee are determined from a commonly used pricing grid based on the Company's long-term senior unsecured noncredit-enhanced debt rating. This new revolving credit facility replaced the Company's $170 million facility that expired in December 2002. The new agreement contains covenants which establish ratio requirements related to debt, interest expense and cash flow. On December 29, 2002, there were no amounts outstanding under this new facility.

On November 21, 2002, the Company issued $150 million of senior notes maturing November 15, 2012 bearing interest at a rate of 5.00% per annum. The Company used the proceeds from this issuance to repay borrowings outstanding under its lines of credit and the Company's $170 million revolving credit facility, as well as to repay a term loan on behalf of Piedmont.

During 2002, Piedmont refinanced a $195 million term loan using the proceeds from a loan from the Company. The Company's source of funds for this loan to Piedmont included the issuance of $150 million of senior notes, its lines of credit, the revolving credit facility and available cash flow. Piedmont pays the Company interest on the loan at the Company's average cost of funds plus 0.50%. The Company plans to provide for Piedmont's future financing requirements under these terms.

The Company filed an $800 million shelf registration for debt and equity securities in January 1999. The Company used this shelf registration to issue $250 million of long-term debentures in 1999 and $150 million of senior notes in 2002 as previously discussed. The Company currently has $400 million available for use under this shelf registration.

After taking into account all of the interest rate hedging activities, the Company had a weighted average interest rate of 5.0% for its debt and capital lease obligations as of December 29, 2002 compared to 5.7% at

December 30, 2001. The Company's overall weighted average interest rate on its debt and capital lease obligations was 5.6%, 6.5% and 7.3% for 2002, 2001 and 2000, respectively.

As of December 29, 2002, before giving effect to forward rate agreements, approximately 47% of its debt and capital lease obligations was subject to changes in short-term interest rates. As a result of the forward rate agreements discussed in Note 10 to the consolidated financial statements, the Company's exposure to interest rate movements has been significantly reduced for 2003. The Company considers all floating rate debt and fixed rate debt with a maturity of less than one year to be subject to changes in short-term interest rates.

If average interest rates for the floating rate component of the Company's debt and capital lease obligations increased by 1%, annual interest expense for the year ended December 29, 2002 would have increased by approximately $2 million and net income would have been reduced by approximately $1.2 million.

With regards to the Company's $170 million term loan agreement, the Company must maintain its public debt ratings at investment grade as determined by both Moody's and Standard & Poor's. If the Company's public debt ratings fall below investment grade within 90 days after the public announcement of certain designated events and such ratings stay below investment grade for an additional 40 days, a trigger event resulting in a default occurs. The Company does not anticipate a trigger event will occur in the foreseeable future.

(10) ***Derivative Financial Instruments***

The Company periodically uses interest rate hedging products to modify risk from interest rate fluctuations. The Company has historically altered its fixed/floating rate mix based upon anticipated cash flows from operations relative to the Company's debt level and the potential impact of changes in interest rates on the Company's overall financial condition. Sensitivity analyses are performed to review the impact on the Company's financial position and coverage of various interest rate movements. The Company does not use derivative financial instruments for trading purposes nor does it use leveraged financial instruments. All of the Company's outstanding interest rate swap agreements and forward rate agreements are LIBOR-based.

Derivative financial instruments were summarized as follows:

	December 29, 2002		December 30, 2001	
	Notional Amount	Remaining Term	Notional Amount	Remaining Term
In Thousands				
Interest rate swaps-fixed			$ 27,000	.95 years
Interest rate swaps-fixed			19,000	.95 years
Interest rate swaps-floating	$ 50,000	4.92 years		
Interest rate swaps-floating	50,000	6.58 years		
Interest rate swaps-floating	50,000	9.92 years		

	December 29, 2002		
	Notional Amount	Start Date	Length of Term
In Thousands			
Forward rate agreement-fixed	$50,000	1/02/03	1 year
Forward rate agreement-fixed	50,000	5/01/03	1 year
Forward rate agreement-fixed	50,000	5/15/03	1 year
Forward rate agreement-fixed	50,000	5/30/03	.25 years

During November 2002, the Company entered into three interest rate swap agreements in conjunction with the issuance of $150 million of senior notes and the refinancing of other Company debt as previously discussed. The new interest rate swap agreements effectively convert $150 million of the Company's debt from a fixed rate to a floating rate in conjunction with its ongoing debt management strategy. These swap agreements were accounted for as fair value hedges.

During December 2002, the Company entered into a $50 million, three-month forward rate agreement that fixed short-term rates on a portion of the Company's $170 million term loan. This forward rate agreement was accounted for as a cash flow hedge.

During December 2002, the Company entered into three one-year forward rate agreements which fix short-term rates on certain components of the Company's floating rate debt for periods of twelve months. The three forward rate agreements as of December 29, 2002 do not meet the criteria set forth in SFAS No. 133 for hedge accounting and have been accounted for on a mark-to-market basis. The mark-to-market adjustment for the forward rate agreements is included as an adjustment to interest expense and was not material for 2002.

The Company entered into an additional $50 million, one-year forward rate agreement subsequent to the end of 2002.

In October 2001, the Company terminated two interest rate swaps with a total notional amount of $100 million. These swap agreements were accounted for as fair value hedges. The gain of $6.7 million from the termination of these swaps is being amortized as an adjustment to interest expense over the remaining term of the related debt instrument that was being hedged.

In December 2001, two interest rate swap agreements were entered into with the total notional amount of $46 million. These swap agreements were accounted for as cash flow hedges and expired in December 2002.

In 2002 the Company amortized deferred gains related to previously terminated interest rate swap agreements which reduced interest expense by $1.9 million. Interest expense will be reduced by the amortization of these deferred gains in 2003 through 2009 as follows: $1.9 million, $1.7 million, $1.5 million, $1.5 million, $1.5 million, $1.5 million and $.6 million, respectively.

During the fourth quarter of 2002, the Company terminated two interest rate swap agreements related to certain long-term debt that was retired early. These swap agreements were accounted for as cash flow hedges. As a result of this termination, the Company recorded additional interest expense of $2.2 million.

The counterparties to these contractual arrangements are major financial institutions with which the Company also has other financial relationships. The Company is exposed to credit loss in the event of nonperformance by these counterparties. However, the Company does not anticipate nonperformance by the other parties.

(11) ***Fair Values of Financial Instruments***

The following methods and assumptions were used by the Company in estimating the fair values of its financial instruments:

Cash, Accounts Receivable and Accounts Payable: The fair values of cash, accounts receivable and accounts payable approximate carrying values due to the short maturity of these financial instruments.

Public Debt: The fair values of the Company's public debt are based on estimated market prices.

Non-Public Variable Rate Long-Term Debt: The carrying amounts of the Company's variable rate borrowings approximate their fair values.

Non-Public Fixed Rate Long-Term Debt: The fair values of the Company's fixed rate long-term borrowings are estimated using discounted cash flow analyses based on the Company's current incremental borrowing rates for similar types of borrowing arrangements.

Derivative Financial Instruments: Fair values for the Company's interest rate swaps and forward rate agreements are based on current settlement values.

The carrying amounts and fair values of the Company's long-term debt and derivative financial instruments were as follows:

	December 29, 2002		December 30, 2001	
In Thousands	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Public debt	$ 600,000	$634,150	$ 497,000	$493,993
Non-public variable rate long-term debt	207,600	207,600	170,000	170,000
Non-public fixed rate long-term debt	156	156	9,864	9,868
Interest rate swaps and forward rate agreement	(2,023)	(2,023)	(7)	(7)

The fair values of the interest rate swaps and forward rate agreement at December 29, 2002 and December 30, 2001 represent the estimated amounts the Company would have received upon termination of these agreements.

(12) ***Commitments and Contingencies***

Operating lease payments are charged to expense as incurred. Such rental expenses included in the consolidated statements of operations were $7.4 million, $12.4 million and $15.7 million for 2002, 2001 and 2000, respectively. Amortization of assets recorded under capital leases was included in depreciation expense.

The following is a summary of future minimum lease payments for all capital and operating leases as of December 29, 2002.

In Thousands	Capital Leases	Operating Leases	Total
2003	$ 5,327	$ 6,944	$ 12,271
2004	5,275	6,243	11,518
2005	5,069	5,882	10,951
2006	5,178	5,118	10,296
2007	5,132	5,080	10,212
Thereafter	149,724	8,777	158,501
Total minimum lease payments	$ 175,705	$ 38,044	$ 213,749
Less: Amounts representing interest	129,679		
Present value of minimum lease payments	46,026		
Less: Current portion of obligations under capital leases	3,960		
Long-term portion of obligations under capital leases	$ 42,066		

The Company is a member of South Atlantic Canners, Inc. ("SAC"), a manufacturing cooperative, from which it is obligated to purchase a specified number of cases of finished product on an annual basis. The contractual minimum annual purchases required from SAC are approximately $40 million. See Note 16 to the consolidated financial statements for additional information concerning SAC.

The Company is also a member of Southeastern Container ("SEC"), a plastic bottle manufacturing cooperative, from which it is obligated to purchase at least 80% of its requirements of plastic bottles for certain designated territories. See Note 16 to the consolidated financial statements for additional information concerning SEC.

The Company guarantees a portion of SAC's and SEC's debt and lease obligations. On December 29, 2002, these debt and lease guarantees were $34.8 million. The guarantees relate to debt and lease obligations, which resulted primarily from the purchase of production equipment and facilities. Both cooperatives consist solely of Coca-Cola bottlers. In the event either of these cooperatives fail to fulfill their commitments under the related debt and lease obligations, the Company would be responsible for payments to the lenders up to the level of the guarantees. If these cooperatives had borrowed up to their maximum borrowing capacity, the Company's maximum potential amount of payments under these guarantees on December 29, 2002 would have been $60.1 million. The Company does not anticipate that either of these cooperatives will fail to fulfill their commitments under these agreements. The Company believes that each of these cooperatives has sufficient assets, including production equipment, facilities and working capital, to adequately mitigate the risk of material loss.

The Company has standby letters of credit, primarily related to its casualty insurance program. On December 29, 2002, these letters of credit totaled $8.9 million.

The Company also has sponsorship commitments for certain prestige properties. The future payments related to these sponsorship commitments as of December 29, 2002 amount to $20.9 million and expire in 2012.

The Company previously entered into a multi-year purchase agreement for its requirements of aluminum cans that expires at the end of 2003. The estimated annual purchases under this agreement are approximately $100 million for 2003.

On August 3, 1999, North American Container, Inc. filed a complaint in the United States District Court for the Northern District of Texas against the Company and 44 other defendants. By its First Amended Complaint filed in April 2000, the plaintiff seeks to enforce United States Reissue Patent No. RIE 36,639 and alleges that the plastic containers used by the Company in connection with the distribution of soft drinks and other products infringe the patent. The Company has notified its suppliers of the lawsuit and has asserted indemnification claims against them. The Company's suppliers have assumed the defense of the claim pursuant to a written agreement providing for indemnification. The Company's suppliers are vigorously defending the claim and the Company believes it has meritorious defenses against the imposition of any liability in this action.

The Company is involved in other various claims and legal proceedings which have arisen in the ordinary course of its business. The Company believes that the ultimate disposition of the above noted litigation and its other claims and legal proceedings will not have a material adverse effect on the financial condition, cash flows or results of operations of the Company.

(13) ***Income Taxes***

The provision for income taxes consisted of the following:

In Thousands	Fiscal Year 2002	2001	2000
Current:			
Federal	$ 294	$ 1,338	$ 2,222
State			
Total current provision	294	1,338	2,222
Deferred:			
Federal	13,829	(447)	(1,357)
State	1,124	1,335	2,676
Total deferred provision	14,953	888	1,319
Income tax expense	$ 15,247	$ 2,226	$ 3,541

Current tax expense represents alternative minimum tax ("AMT"). Deferred income taxes are recorded based upon differences between the financial statement and tax bases of assets and liabilities and available net operating loss and tax credit carryforwards. Temporary differences and carryforwards that comprised deferred income tax assets and liabilities were as follows:

In Thousands	Dec. 29, 2002	Dec. 30, 2001
Intangible assets	$ 103,877	$ 80,506
Depreciation	100,030	94,955
Investment in Piedmont	25,006	25,202
Other	4,453	18,543
Gross deferred income tax liabilities	233,366	219,206
Net operating loss carryforwards	(53,190)	(60,334)
AMT credits	(15,844)	(17,562)
Deferred compensation	(18,550)	(17,393)
Postretirement benefits	(12,171)	(12,101)
Interest rate swap terminations	(3,884)	(4,748)
Gross deferred income tax assets	(103,639)	(112,138)
Valuation allowance for deferred tax assets	39,945	34,526
Net deferred income tax liabilities	169,672	141,594
Tax benefit of minimum pension liability adjustment	(13,708)	(6,732)
Tax benefit related to Piedmont's accumulated other comprehensive loss		(1,119)
Deferred income tax liability	$ 155,964	$ 133,743

Except for amounts for which a valuation allowance has been provided, the Company believes the other deferred tax assets will be realized primarily through the reversal of existing temporary differences. The valuation allowance of $39.9 million and $34.5 million as of December 29, 2002 and December 30, 2001, respectively, relates to state net operating loss carryforwards.

Reported income tax expense is reconciled to the amount computed on the basis of income before income taxes at the statutory rate as follows:

	Fiscal Year		
	2002	2001	2000
In Thousands			
Statutory expense	$ 13,300	$ 4,094	$ 3,442
Amortization of franchise and goodwill assets		486	418
State income taxes, net of federal benefit	735	307	548
Valuation allowance change	3,308	(522)	(539)
Favorable tax settlement		(2,850)	
Other	(2,096)	711	(328)
Income tax expense	$ 15,247	$ 2,226	$ 3,541

On December 29, 2002, the Company had $12.5 million of federal net operating losses and $15.8 million of AMT credit carryforwards available to reduce future income taxes. The net operating loss carryforwards expire in varying amounts through 2022 while the AMT credit carryforwards have no expiration date.

(14) ***Capital Transactions***

On May 13, 2002, the Company announced that two of its directors, J. Frank Harrison, Jr., Chairman Emeritus, and J. Frank Harrison, III, Chairman of the Board of Directors and Chief Executive Officer, had entered into plans providing for sales of up to an aggregate total of 250,000 shares of the Company's Common Stock in accordance with Securities and Exchange Commission Rule 10b5-1. Shares sold under the plans were issuable to Mr. Harrison, Jr. and Mr. Harrison, III under stock option agreements that were granted in 1989 as long-term incentives. During 2002, all 250,000 shares of Common Stock exercisable under the options were sold under the plans. Total proceeds to the Company from the exercise of the stock options under the plans were $7.2 million.

Pursuant to a Stock Rights and Restriction Agreement dated January 27, 1989, between the Company and The Coca-Cola Company, in the event that the Company issues new shares of Class B Common Stock upon the exchange or exercise of any security, warrant or option of the Company which results in The Coca-Cola Company owning less than 20% of the outstanding shares of Class B Common Stock and less than 20% of the total votes of all outstanding shares of all classes of the Company, The Coca-Cola Company has the right to exchange shares of Common Stock for shares of Class B Common Stock in order to maintain its ownership of 20% of the outstanding shares of Class B Common Stock and 20% of the total votes of all outstanding shares of all classes of the Company. Under the Stock Rights and Restrictions Agreement, The Coca-Cola Company also has a preemptive right to purchase a percentage of any newly issued shares of any class as necessary to allow it to maintain ownership of both 29.67% of the outstanding shares of Common Stock of all classes and 22.59% of the total votes of all outstanding shares of all classes.

On May 12, 1999, the stockholders of the Company approved a restricted stock award for J. Frank Harrison, III, the Company's Chairman of the Board of Directors and Chief Executive Officer, consisting of 200,000 shares of the Company's Class B Common Stock. The award provides that the shares of restricted stock vest at the rate of 20,000 shares per year over a ten-year period. The vesting of each annual installment is contingent upon the Company achieving at least 80% of the Overall Goal Achievement Factor for the six selected performance indicators used in determining bonuses for all officers under the Company's Annual Bonus Plan. The Company

achieved more than 80% of the Overall Goal Achievement factor in 2002, 2001 and 2000, resulting in compensation expense of $2.3 million, $1.4 million and $1.4 million, respectively.

Shares of Class B Common Stock are convertible on a share-for-share basis into shares of Common Stock. There is no trading market for the Company's Class B Common Stock.

(15) *Benefit Plans*

Retirement benefits under the Company's principal pension plan are based on the employee's length of service, average compensation over the five consecutive years which gives the highest average compensation and the average of the Social Security taxable wage base during the 35-year period before a participant reaches Social Security retirement age. Contributions to the plan are based on the projected unit credit actuarial funding method and are limited to the amounts that are currently deductible for income tax purposes.

The following tables set forth a reconciliation of the beginning and ending balances of the projected benefit obligation, a reconciliation of beginning and ending balances of the fair value of plan assets and funded status of the two Company-sponsored pension plans:

	Fiscal Year	
	2002	2001
In Thousands		
Projected benefit obligation at beginning of year	$ 102,327	$ 86,353
Service cost	4,006	3,290
Interest cost	7,305	6,578
Actuarial loss	7,485	8,894
Benefits paid	(3,282)	(2,999)
Other		211
Projected benefit obligation at end of year	$ 117,841	$ 102,327
Fair value of plan assets at beginning of year	$ 80,572	$ 87,723
Actual return on plan assets	(6,697)	(4,461)
Employer contributions	13,493	309
Benefits paid	(3,282)	(2,999)
Fair value of plan assets at end of year	$ 84,086	$ 80,572

	Dec. 29, 2002	Dec. 30, 2001
In Thousands		
Funded status of the plans	$ (33,755)	$ (21,755)
Unrecognized prior service cost	109	21
Unrecognized net loss	48,339	29,116
Net amount recognized	$ 14,693	$ 7,382
Accrued benefit liability	$ (19,745)	$ (10,334)
Prepaid pension cost	109	
Accumulated other comprehensive income	34,329	17,716
Net amount recognized in the balance sheet	$ 14,693	$ 7,382

Net periodic pension cost for the Company-sponsored pension plans included the following:

	Fiscal Year		
	2002	2001	2000
In Thousands			
Service cost	$ 4,006	$ 3,290	$ 3,606
Interest cost	7,305	6,578	6,180
Expected return on plan assets	(7,139)	(7,763)	(7,963)
Amortization of prior service cost	(88)	(135)	(133)
Recognized net actuarial loss	2,098	15	
Net periodic pension cost	$ 6,182	$ 1,985	$ 1,690

The following table presents significant assumptions used:

	2002	2001
Weighted average discount rate used in determining net periodic pension cost	7.25%	7.75%
Weighted average discount rate used in determining the actuarial present value of the projected benefit obligation	7.00%	7.25%
Weighted average expected long-term rate of return on plan assets	8.00%	9.00%
Weighted average rate of compensation increase	4.00%	4.00%
Measurement date	Nov. 2002	Nov. 2001

The Company also participates in various multi-employer pension plans covering certain employees who are part of collective bargaining agreements. Total pension expense for multi-employer plans was $1.3 million, $1.2 million and $1.1 million in 2002, 2001 and 2000, respectively.

The Company provides a 401(k) Savings Plan for substantially all of its employees who are not part of collective bargaining agreements. Under provisions of the Savings Plan, an employee is vested with respect to Company contributions upon the completion of two years of service with the Company. The total cost for this benefit in 2002, 2001 and 2000 was $3.8 million, $2.8 million and $3.1 million, respectively.

The Company currently provides employee leasing and management services to SAC. SAC employees participate in the Company's employee benefit plans.

The Company provides postretirement benefits for substantially all of its current employees. The Company recognizes the cost of postretirement benefits, which consist principally of medical benefits, during employees' periods of active service. The Company does not pre-fund these benefits and has the right to modify or terminate certain of these benefits in the future. The Company amended certain provisions of this postretirement benefit plan in 2001 and 2002. Under the amended plan, qualifying active employees will be eligible for coverage upon retirement until they become eligible for Medicare (normally age 65), at which time coverage under the plan will cease.

The following tables set forth a reconciliation of the beginning and ending balances of the benefit obligation, a reconciliation of the beginning and ending balances of the fair value of plan assets and funded status of the Company's postretirement plan:

	Fiscal Year	
In Thousands	2002	2001
Benefit obligation at beginning of year	$ 46,060	$ 47,960
Service cost	403	331
Interest cost	3,238	3,253
Plan participants' contributions	575	675
Actuarial loss	779	252
Benefits paid	(2,784)	(3,423)
Change in plan provisions		(2,988)
Benefit obligation at end of year	$ 48,271	$ 46,060
Fair value of plan assets at beginning of year	$ —	$ —
Employer contributions	2,209	2,748
Plan participants' contributions	575	675
Benefits paid	(2,784)	(3,423)
Fair value of plan assets at end of year	$ —	$ —

In Thousands	Dec. 29, 2002	Dec. 30, 2001
Funded status of the plan	$ (48,271)	$ (46,060)
Unrecognized net loss	20,183	20,559
Unrecognized prior service cost	(2,666)	(2,962)
Contributions between measurement date and fiscal year-end	663	738
Accrued liability	$ (30,091)	$ (27,725)

The components of net periodic postretirement benefit cost were as follows:

	Fiscal Year		
In Thousands	2002	2001	2000
Service cost	$ 403	$ 331	$ 852
Interest cost	3,238	3,253	2,816
Amortization of unrecognized transitional assets	(25)	(25)	(25)
Recognized net actuarial loss	1,155	1,106	493
Amortization of prior service cost	(271)	(271)	
Net periodic postretirement benefit cost	$ 4,500	$ 4,394	$ 4,136

The weighted average discount rate used to estimate the postretirement benefit obligation was 6.75% and 7.25% as of December 29, 2002 and December 30, 2001, respectively. The measurement dates were September 30, 2002 and September 30, 2001, respectively.

The weighted average health care cost trend used in measuring the postretirement benefit expense in 2002 was 11% graded down 1% per year to an ultimate rate of 5%. The weighted average health care cost trend used in measuring the postretirement benefit expense in 2001 was 12% graded down 1% per year to an ultimate rate of 5%.

A 1% increase or decrease in this annual cost trend would have impacted the postretirement benefit obligation and net periodic postretirement benefit cost as follows:

In Thousands Impact on	1% Increase	1% Decrease
Postretirement benefit obligation at December 29, 2002	$ 7,377	$ (7,843)
Net periodic postretirement benefit cost in 2002	659	(671)

(16) ***Related Party Transactions***

The Company's business consists primarily of the production, marketing and distribution of soft drink products of The Coca-Cola Company, which is the sole owner of the secret formulas under which the primary components (either concentrate or syrup) of its soft drink products are manufactured. As of December 29, 2002, The Coca-Cola Company had a 27.5% interest in the Company's total outstanding Common Stock and Class B Common Stock on a combined basis.

The following table summarizes the significant transactions between the Company and The Coca-Cola Company:

In Millions	2002	2001	2000
Payments by the Company for concentrate, syrup, sweetener and other miscellaneous purchases	$ 292.0	$ 241.1	$ 237.3
Payments by the Company for customer marketing programs	50.2	22.8	21.5
Marketing funding support payments to the Company	56.0	22.3	23.3
Payments by the Company for local media	—	4.4	4.8
Local media and presence marketing support provided by The Coca-Cola Company on the Company's behalf	17.7	6.9	7.4

The significant changes in payments to and from The Coca-Cola Company relate primarily to the consolidation of Piedmont in 2002 and changes in the administration of customer marketing programs, local media and marketing funding support by The Coca-Cola Company.

The Company has a production arrangement with CCE to buy and sell finished products at cost. Sales to CCE under this agreement were $23.6 million, $21.0 million and $20.0 million in 2002, 2001 and 2000, respectively. Purchases from CCE under this arrangement were $20.3 million, $21.0 million and $15.0 million in 2002, 2001 and 2000, respectively. The Coca-Cola Company has significant equity interests in the Company and CCE. As of December 29, 2002, CCE held 10.5% of the Company's outstanding Common Stock but held no shares of the Company's Class B Common Stock, giving CCE a 7.7% equity interest in the Company's total outstanding Common Stock and Class B Common Stock on a combined basis.

Along with a number of other Coca-Cola bottlers, the Company has become a member in Coca-Cola Bottlers' Sales & Services Company LLC, (the "Sales and Services Company"), which was recently formed for the purposes of facilitating various procurement functions and distributing certain specified beverage products of

The Coca-Cola Company with the intention of enhancing the efficiency and competitiveness of the Coca-Cola bottling system in the United States. CCE is also a member in the Sales and Services Company.

The Company entered into an agreement for consulting services with J. Frank Harrison, Jr., the former Chairman of the Board of Directors of the Company, beginning in 1997. Payments related to the consulting services agreement totaled $183,333, $200,000 and $200,000 in 2002, 2001 and 2000, respectively. J. Frank Harrison, Jr. passed away in November 2002. An accrual of $3.8 million related to a retirement benefit payable to Mr. Harrison, Jr. was eliminated in the fourth quarter of 2002.

On July 2, 1993, the Company and The Coca-Cola Company formed Piedmont. Prior to January 2, 2002, the Company and The Coca-Cola Company, through their respective subsidiaries, each beneficially owned a 50% interest in Piedmont. On January 2, 2002, the Company purchased an additional 4.651% interest in Piedmont from The Coca-Cola Company, increasing the Company's ownership in Piedmont to 54.651%. The Company provides a portion of the soft drink products for Piedmont at cost and receives a fee for managing the operations of Piedmont pursuant to a management agreement. The Company sold product at cost to Piedmont during 2002, 2001 and 2000 totaling $55.4 million, $53.0 million and $53.5 million, respectively. The Company received $17.9 million, $17.8 million and $13.6 million for management services pursuant to its management agreement with Piedmont for 2002, 2001 and 2000, respectively.

During 2002, Piedmont refinanced a $195 million term loan using the proceeds from a loan from the Company. The Company's source of funds for this loan to Piedmont included the issuance of $150 million of senior notes, its lines of credit, the revolving credit facility and available cash flow. Piedmont pays the Company interest on the loan at the Company's average cost of funds plus 0.50%. As of December 29, 2002, the Company had loaned $151.8 million to Piedmont. The Company plans to provide for Piedmont's future financing requirements under these terms.

The Company also subleases various fleet and vending equipment to Piedmont at cost. These sublease rentals amounted to $8.7 million, $11.2 million and $11.0 million in 2002, 2001 and 2000, respectively. In addition, Piedmont subleases various fleet and vending equipment to the Company at cost. These sublease rentals amounted to $.2 million each year for all periods presented.

On November 30, 1992, the Company and the previous owner of the Company's Snyder Production Center in Charlotte, North Carolina, who was unaffiliated with the Company, agreed to the early termination of the Company's lease. Harrison Limited Partnership One ("HLP") purchased the property contemporaneously with the termination of the lease, and the Company leased its Snyder Production Center from HLP pursuant to a ten-year lease that was to expire on November 30, 2002. HLP's sole general partner is a corporation of which the estate of J. Frank Harrison, Jr. is the sole shareholder. HLP's sole limited partner is a trust of which J. Frank Harrison, III, Chairman of the Board of Directors and Chief Executive Officer of the Company, and Reid M. Henson, Director of the Company, are co-trustees. On August 9, 2000, a Special Committee of the Board of Directors approved the sale by the Company of property and improvements adjacent to the Snyder Production Center to HLP and a new lease of both the conveyed property and the Snyder Production Center from HLP, which expires on December 31, 2010. The sale closed on December 15, 2000 at a price of $10.5 million. The annual base rent the Company was obligated to pay for its lease of this property is subject to adjustment for an inflation factor and for increases or decreases in interest rates, using LIBOR as the measurement device. Rental payments for these properties totaled $2.9 million, $3.3 million and $2.9 million in 2002, 2001 and 2000, respectively.

In May 2000, the Company entered into a five-year consulting agreement with Reid M. Henson. Mr. Henson served as a Vice Chairman of the Board of Directors from 1983 to May 2000. Payments in 2002, 2001 and 2000 related to the consulting agreement totaled $350,000, $350,000 and $204,000, respectively.

On June 1, 1993, the Company entered into a lease agreement with Beacon Investment Corporation related to the Company's headquarters office building. Beacon Investment Corporation's sole shareholder is J. Frank Harrison, III. On January 5, 1999, the Company entered into a new ten-year lease agreement with Beacon Investment Corporation which includes the Company's headquarters office building and an adjacent office facility. The annual base rent the Company is obligated to pay under this lease is subject to adjustment for increases in the Consumer Price Index and for increases or decreases in interest rates using the Adjusted Eurodollar Rate as the measurement device. Rental payments under this lease totaled $2.8 million, $3.3 million and $3.6 million in 2002, 2001 and 2000, respectively.

The Company is a shareholder in two cooperatives from which it purchases substantially all its requirements for plastic bottles. Net purchases from these entities were approximately $45 million, $50 million and $49 million in 2002, 2001 and 2000, respectively. In connection with its participation in one of these cooperatives, the Company has guaranteed a portion of the cooperative's debt. Such guarantee amounted to $14.7 million as of December 29, 2002.

The Company is a member of SAC, a manufacturing cooperative. SAC sells finished products to the Company and Piedmont at cost. Purchases from SAC by the Company and Piedmont for finished products were $110 million each year in 2002, 2001 and 2000, respectively. The Company also manages the operations of SAC pursuant to a management agreement. Management fees from SAC were $1.3 million, $1.2 million and $1.0 million in 2002, 2001 and 2000, respectively. Also, the Company has guaranteed a portion of debt for SAC. Such guarantee was $20.1 million as of December 29, 2002.

The Company purchases certain computerized data management products and services related to inventory control and marketing program support from Data Ventures LLC ("Data Ventures"), a Delaware limited liability company. In December 2002, J. Frank Harrison, III contributed his interest in Data Ventures to the Company for no consideration. As a result of this transaction, the Company now holds a 63.75% equity interest in Data Ventures as of December 29, 2002. On September 30, 1997, Data Ventures obtained a $1.9 million unsecured line of credit from the Company. In December 1999, this line of credit was increased to $3.0 million. In July 2001, this line of credit was increased to $4.5 million.

Data Ventures was indebted to the Company for $4.0 million and $3.9 million as of December 29, 2002 and December 30, 2001, respectively. The Company recorded a loan loss provision of $.5 million, $1.6 million and $.2 million in 2002, 2001 and 2000, respectively, related to its outstanding loan to Data Ventures. The total loan loss provision was $2.9 million and $2.4 million as of December 29, 2002 and December 30, 2001, respectively. The Company purchased products and services from Data Ventures for $523,000, $435,000 and $414,000 in 2002, 2001 and 2000, respectively. The results of operations and financial position of Data Ventures were not material to the Company's consolidated financial statements.

(17) ***Earnings Per Share***

The following table sets forth the computation of basic net income per share and diluted net income per share:

	Fiscal Year		
	2002	2001	2000
In Thousands (Except Per Share Data)			
Numerator:			
Numerator for basic net income and diluted net income per share	$ 22,823	$ 9,470	$ 6,294
Denominator:			
Denominator for basic net income per share—weighted average common shares	8,861	8,753	8,733
Effect of dilutive securities	60	68	89
Denominator for diluted net income per share—adjusted weighted average common shares	8,921	8,821	8,822
Basic net income per share	$ 2.58	$ 1.08	$ .72
Diluted net income per share	$ 2.56	$ 1.07	$ .71

(18) ***Risks and Uncertainties***

Approximately 91% of the Company's sales are products of The Coca-Cola Company, which is the sole supplier of the concentrates or syrups required to manufacture these products. The remaining 9% of the Company's sales are products of other beverage companies. The Company has bottling contracts under which it has various requirements to meet. Failure to meet the requirements of these bottling contracts could result in the loss of distribution rights for the respective product.

The Company currently obtains all of its aluminum cans from one domestic supplier. The Company currently obtains all of its PET bottles from two domestic cooperatives. The inability of either of these aluminum can or PET bottle suppliers to meet the Company's requirement for containers could result in short-term shortages until alternative sources of supply could be located. The Company attempts to mitigate these risks by working closely with key suppliers and by purchasing business interruption insurance where appropriate. In addition, the cost of aluminum cans and PET bottle containers are subject to change. Material increases in the cost of these containers may result in a reduction in earnings to the extent the Company is not able to increase its selling prices to offset an increase in container costs.

The Company's products are sold and distributed directly by its employees to retail stores and other outlets. During 2002, approximately 79% of the Company's physical case volume was sold for future consumption through supermarkets, convenience stores, drug stores and mass merchandisers. The remaining 21% of the Company's volume was sold for immediate consumption through various cold drink channels. The Company's largest customer accounted for approximately 10% of the Company's total sales volume during 2002.

The Company makes significant expenditures each year on fuel for product delivery. Material increases in the cost of fuel may result in a reduction in earnings to the extent the Company is not able to increase its selling prices to offset an increase in fuel costs.

Certain liabilities of the Company are subject to risk of changes in both long-term and short-term interest rates. These liabilities include floating rate debt, leases with payments determined on floating interest rates, postretirement benefit obligations and the Company's nonunion pension liability.

Less than 10% of the Company's labor force is currently covered by collective bargaining agreements. One collective bargaining contract covering less than 1% of the Company's employees expires during 2003.

Material changes in the performance requirements or decreases in levels of marketing funding historically provided under marketing programs with The Coca-Cola Company and other franchisers, or the Company's inability to meet the performance requirements for the anticipated levels of such marketing funding support payments, would adversely affect future earnings. The Coca-Cola Company is under no obligation to continue marketing funding at past levels.

Changes in the market value of assets in the Company's pension plan as well as material changes in interest rates may result in significant changes in net periodic pension cost and the Company contributions to the plan.

Changes in the health care cost trend as well as material changes in interest rates may result in significant changes in postretirement benefit cost.

Changes in the insurance markets may significantly impact insurance premiums, or in certain situations, may impact the Company's ability to secure insurance coverages.

(19) ***Supplemental Disclosures of Cash Flow Information***

Changes in current assets and current liabilities affecting cash, net of effects of acquisitions and divestitures, were as follows:

	Fiscal Year		
	2002	2001	2000
In Thousands			
Accounts receivable, trade, net	$ 4,836	$ (1,313)	$ (2,294)
Accounts receivable from The Coca-Cola Company	(7,988)	1,445	638
Accounts receivable, other	(9,398)	2,994	5,691
Inventories	7,164	586	712
Prepaid expenses and other assets	(1,377)	10,958	(10,427)
Accounts payable, trade	4,089	6,893	(249)
Accounts payable to The Coca-Cola Company	1,630	4,123	1,456
Other accrued liabilities	(6,321)	5,185	(19,923)
Accrued compensation	3,880	3,906	7,041
Accrued interest payable	(2,347)	1,395	(6,347)
Due to Piedmont		8,246	13,700
(Increase) decrease in current assets less current liabilities	$ (5,832)	$ 44,418	$ (10,002)

Cash payments for interest and income taxes were as follows:

	Fiscal Year		
	2002	2001	2000
In Thousands			
Interest	$ 52,572	$ 42,084	$ 58,736
Income taxes (net of refunds)	3,138	2,673	2,830

(20) ***New Accounting Pronouncements***

Emerging Issues Task Force No. 01-09 "Accounting for Consideration Given by a Vendor to a Customer or Reseller of the Vendor's Products" was effective for the Company beginning January 1, 2002, requiring certain expenses previously classified as selling, general and administrative expenses to be reclassified as deductions from net sales. Prior years' results have been adjusted to reclassify these expenses as a deduction to net sales for comparability with current year presentation. These expenses relate primarily to payments to customers for certain marketing programs. The Company reclassified $22.5 million and $15.6 million for 2001 and 2000, respectively, related to these expenses.

In November 2002, the Financial Accounting Standards Board (FASB) issued Financial Interpretation No. 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others," ("FIN 45"). This interpretation requires additional disclosure for current guarantees and requires that certain guarantees entered into or modified subsequent to December 31, 2002 be reflected in the guarantor's balance sheet. The Company adopted the provisions of FIN 45 for its fiscal year ended December 29, 2002.

In January 2003, the FASB issued Financial Interpretation No. 46, "Consolidation of Variable Interest Entities," ("FIN 46"). This interpretation addresses consolidation by business enterprises of variable interest entities with certain defined characteristics. This interpretation applies to the first fiscal year or interim period beginning after June 15, 2003, to variable interest entities in which an enterprise holds a variable interest that it acquired before February 1, 2003. The Company has not yet determined what effect, if any, the adoption of FIN 46 will have on the results of operations and financial position of the Company.

(21) ***Subsequent Event***

On March 5, 2003, the Board of Directors of the Company authorized the purchase of half of The Coca-Cola Company's remaining interest in Piedmont for approximately $53.5 million, subject to the completion of a definitive purchase agreement and regulatory approval. This transaction, which is anticipated to close on March 31, 2003, would increase the Company's ownership interest in Piedmont from 54.651% to slightly more than 77%. Available sources of financing this transaction may include the Company's lines of credit, its revolving credit facility or public debt.

(22) ***Quarterly Financial Data (unaudited)***

Set forth below are unaudited quarterly financial data for the fiscal years ended December 29, 2002 and December 30, 2001.

	Quarter			
In Thousands (Except Per Share Data)	**1**	**2**	**3**	**4**
Year Ended December 29, 2002				
Net sales	$ 283,198	$ 341,119	$ 333,047	$ 289,227
Gross margin	134,582	159,671	153,918	131,160
Net income (loss)	3,378	10,783	9,539	(877)
Basic net income (loss) per share	.39	1.23	1.08	(.10)
Diluted net income (loss) per share	.38	1.21	1.07	(.10)

In Thousands (Except Per Share Data)	Quarter 1	2	3	4
Year Ended December 30, 2001				
Net sales	$ 223,700	$ 262,338	$ 258,600	$ 244,550
Gross margin	102,899	117,931	115,955	107,875
Net income (loss)	(1,782)	5,009	7,915	(1,672)
Basic net income (loss) per share	(.20)	.57	.90	(.19)
Diluted net income (loss) per share	(.20)	.57	.90	(.19)

Report of Independent Accountants

To the Board of Directors and Stockholders of Coca-Cola Bottling Co. Consolidated:

In our opinion, the consolidated financial statements listed in the index appearing under Item 15(a)(1) present fairly, in all material respects, the financial position of Coca-Cola Bottling Co. Consolidated and its subsidiaries at December 29, 2002 and December 30, 2001, and the results of their operations and their cash flows for each of the three years in the period ended December 29, 2002 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedule listed in the appendix appearing under Item 15(a)(2) presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. These financial statements and financial statement schedule are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements and financial statement schedule based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 7 to these consolidated financial statements, the Company changed its accounting for goodwill and other intangible assets in 2002.

/S/ PRICEWATERHOUSECOOPERS LLP
Charlotte, North Carolina
February 13, 2003

The financial statement schedule required by Regulation S-X is set forth in response to Item 15 below.

The supplementary data required by Item 302 of Regulation S-K is set forth in Note 22 to the financial statements.

Item 9. ***Changes in and Disagreements with Accountants on Accounting and Financial Disclosure***

Not applicable.

Part III

Item 10. ***Directors and Executive Officers of the Company***

For information with respect to the executive officers of the Company, see "Executive Officers of the Registrant" included as a separate item at the end of Part I of this Report. For information with respect to the directors of the Company, see the "Election of Directors" section of the Proxy Statement for the 2003 Annual Meeting of Stockholders to be filed with the Securities and Exchange Commission on or before April 4, 2003, which is incorporated herein by reference. For information with respect to Section 16 reports, see the "Election of Directors—Section 16(a) Beneficial Ownership Reporting Compliance" section of the Proxy Statement for the 2003 Annual Meeting of Stockholders, which is incorporated herein by reference.

Item 11. ***Executive Compensation***

For information with respect to executive and director compensation, see the "Executive Compensation," "Compensation Committee Interlocks and Insider Participation," and "Election of Directors—The Board of Directors and its Committees" sections of the Proxy Statement for the 2003 Annual Meeting of Stockholders to be filed with the Securities and Exchange Commission, which are incorporated herein by reference.

Item 12. ***Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters***

For information with respect to security ownership of certain beneficial owners and management, see the "Principal Stockholders", "Election of Directors—Beneficial Ownership of Management" and "Equity Compensation Plans" sections of the Proxy Statement for the 2003 Annual Meeting of Stockholders to be filed with the Securities and Exchange Commission, which are incorporated herein by reference.

Item 13. ***Certain Relationships and Related Transactions***

For information with respect to certain relationships and related transactions, see the "Certain Transactions" section of the Proxy Statement for the 2003 Annual Meeting of Stockholders to be filed with the Securities and Exchange Commission, which is incorporated herein by reference.

Item 14. ***Controls and Procedures***

Within the 90-day period prior to the date of this report, the Company carried out an evaluation, under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures pursuant to Rules 13a-14 and 15d-14 of the Securities Exchange Act of 1934 (the "Exchange Act"). Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures are effective in timely alerting them to material information relating to the Company (including its consolidated subsidiaries) required to be included in the Company's Exchange Act filings.

There have been no significant changes in the Company's internal controls or in other factors which could significantly affect internal controls subsequent to the date the Company carried out its evaluation.

Part IV

Item 15. ***Exhibits, Financial Statement Schedules and Reports on Form 8-K***

A. List of Documents filed as part of this report.

1. Financial Statements

Consolidated Statements of Operations
Consolidated Balance Sheets
Consolidated Statements of Cash Flows
Consolidated Statements of Changes in Stockholders' Equity
Notes to Consolidated Financial Statements
Report of Independent Accountants

2. Financial Statement Schedule

Schedule II—Valuation and Qualifying Accounts and Reserves

All other financial statements and schedules not listed have been omitted because the required information is included in the consolidated financial statements or the notes thereto, or is not applicable or required.

3. Listing of Exhibits:

Exhibit Index

Number	Description	Incorporated by Reference or Filed Herewith
(3.1)	Bylaws of the Company, as amended.	Exhibit 3.1 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2000.
(3.2)	Restated Certificate of Incorporation of the Company.	Exhibit 3.1 to the Company's Registration Statement (No. 33-54657) on Form S-3 as filed on July 20, 1994
(4.1)	Specimen of Common Stock Certificate.	Exhibit 4.1 to the Company's Registration Statement (No. 2-97822) on Form S-1 as filed on May 31, 1985.
(4.2)	Supplemental Indenture, dated as of March 3, 1995, between the Company and Citibank, N.A., as Successor, as Trustee.	Filed herewith.
(4.3)	Form of the Company's 6.85% Debentures due 2007.	Filed herewith.
(4.4)	Loan Agreement dated as of November 20, 1995 between the Company and LTCB Trust Company, as Agent, and other banks named therein.	Filed herewith.
(4.5)	Amendment, dated as of July 22, 1997, to Loan Agreement (designated as Exhibit 4.4), between the Company and LTCB Trust Company, as Agent, and other banks named therein.	Filed herewith.
(4.6)	Form of the Company's 7.20% Debentures due 2009.	Filed herewith.

Number	Description	Incorporated by Reference or Filed Herewith
(4.7)	Form of the Company's 6.375% Debentures due 2009.	Exhibit 4.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended April 4, 1999.
(4.8)	Assignment and Release Agreement, dated as of October 6, 1999 (relating to the Loan Agreement designated as Exhibit 4.4), by and between The Long-Term Credit Bank of Japan, Limited and General Electric Capital Corporation.	Exhibit 4.11 to the Company's Annual Report on Form 10-K for the fiscal year ended January 2, 2000.
(4.9)	Second Amendment dated as of February 24, 2000 (to Loan Agreement designated as Exhibit 4.4) by and among the Company and General Electric Capital Corporation, as agent.	Exhibit 4.12 to the Company's Annual Report on Form 10-K for the fiscal year ended January 2, 2000.
(4.10)	Amended and Restated Promissory Note, dated as of November 22, 2002, by and between Piedmont Coca-Cola Bottling Partnership and the Company.	Filed herewith.
(4.11)	$125,000,000 Credit Agreement, dated as of December 20, 2002, between the Company and Citibank, N.A. as Administrative Agent, and other banks named therein.	Filed herewith.
(4.12)	Form of the Company's 5.00% Senior Notes due 2012.	Exhibit 4.1 to the Company's Current Report on Form 8-K filed on November 21, 2002.
(4.13)	The Registrant, by signing this report, agrees to furnish the Securities and Exchange Commission, upon its request, a copy of any instrument which defines the rights of holders of long-term debt of the Registrant and its consolidated subsidiaries which authorizes a total amount of securities not in excess of 10 percent of total assets of the Registrant and its subsidiaries on a consolidated basis.	
(10.1)	Stock Rights and Restrictions Agreement by and between Coca-Cola Bottling Co. Consolidated and The Coca-Cola Company dated January 27, 1989.	Filed herewith.
(10.2)	Description and examples of bottling franchise agreements between the Company and The Coca-Cola Company.	Filed herewith.
(10.3)	Lease, dated as of January 1, 1999, by and between the Company and the Ragland Corporation, related to the production/distribution facility in Nashville, Tennessee.	Exhibit 10.5 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2000.
(10.4)	Description and example of Deferred Compensation Agreement, dated as of October 1, 1987, between Eligible Employees of the Company and the Company under the Officer's Split-Dollar Life Insurance Plan. * *	Filed herewith.
(10.5)	Purchase and Sale Agreement, dated as of December 15, 2000, between the Company and Harrison Limited Partnership One, related to land adjacent to the Snyder Production Center in Charlotte, North Carolina.	Exhibit 10.9 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2000.

Number	Description	Incorporated by Reference or Filed Herewith
(10.6)	Lease Agreement, dated as of December 15, 2000, between the Company and Harrison Limited Partnership One, related to the Snyder Production Center in Charlotte, North Carolina and a distribution center adjacent thereto.	Exhibit 10.10 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2000.
(10.7)	Partnership Agreement of Carolina Coca-Cola Bottling Partnership,* dated as of July 2, 1993, by and among Carolina Coca-Cola Bottling Investments, Inc., Coca-Cola Ventures, Inc., Coca-Cola Bottling Co. Affiliated, Inc., Fayetteville Coca-Cola Bottling Company and Palmetto Bottling Company.	Filed herewith.
(10.8)	Management Agreement, dated as of July 2, 1993, by and among Coca-Cola Bottling Co. Consolidated, Carolina Coca-Cola Bottling Partnership,* CCBC of Wilmington, Inc., Carolina Coca-Cola Bottling Investments, Inc., Coca-Cola Ventures, Inc. and Palmetto Bottling Company.	Filed herewith.
(10.9)	First Amendment to Management Agreement designated as Exhibit 10.8, dated as of January 1, 2001.	Exhibit 10.14 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2000.
(10.10)	Amended and Restated Guaranty Agreement, dated as of July 15, 1993 re: Southeastern Container, Inc.	Filed herewith.
(10.11)	Management Agreement, dated as of June 1, 1994, by and among Coca-Cola Bottling Co. Consolidated and South Atlantic Canners, Inc.	Filed herewith.
(10.12)	Agreement, dated as of March 1, 1994, between the Company and South Atlantic Canners, Inc.	Filed herewith.
(10.13)	Guaranty Agreement, dated as of May 18, 2000, between the Company and Wachovia Bank of North Carolina, N.A.	Exhibit 10.17 to the Company's Annual Report on Form 10-K for the fiscal year ended December 30, 2001.
(10.14)	Guaranty Agreement, dated as of December 1, 2001, between the Company and Wachovia, N.A.	Exhibit 10.18 to the Company's Annual Report on Form 10-K for the fiscal year ended December 30, 2001.
(10.15)	Description of the Company's 2003 Bonus Plan for officers. * *	Filed herewith.
(10.16)	Retirement and Consulting Agreement, effective as of May 31, 2000, between the Company and Reid M. Henson. * *	Exhibit 10.25 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2000.
(10.17)	Agreement to assume liability for postretirement benefits between the Company and Piedmont Coca-Cola Bottling Partnership.	Filed herewith.
(10.18)	Lease Agreement, dated as of January 5, 1999, between the Company and Beacon Investment Corporation, related to the Company's corporate headquarters and an adjacent office building in Charlotte, North Carolina.	Exhibit 10.61 to the Company's Annual Report on Form 10-K for the fiscal year ended January 3, 1999.
(10.19)	Coca-Cola Bottling Co. Consolidated Director Deferral Plan, dated as of January 1, 1998. **	Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 29, 1998.

Number	Description	Incorporated by Reference or Filed Herewith
(10.20)	Agreement and Plan of Merger dated as of September 29, 1999, by and among Lynchburg Coca-Cola Bottling Co., Inc., Coca-Cola Bottling Co. Consolidated, LCCB Merger Co., Certain Shareholders of Lynchburg Coca-Cola Bottling Co., Inc. and George M. Lupton, Jr. as the shareholders' representative.	Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended October 3, 1999.
(10.21)	Agreement and Plan of Merger, dated as of March 26, 1999, by and among the Company and Carolina Coca-Cola Bottling Company, Inc.	Annex A to the Company's Registration Statement (No. 333-75751) on Form S-4.
(10.22)	Restricted Stock Award to J. Frank Harrison, III (effective January 4, 1999). **	Annex A to the Company's Proxy Statement for the 1999 Annual Meeting.
(10.23)	Can Supply Agreement, dated as of February 22, 2000, between American National Can Company and the Company.	Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended April 2, 2002.
(10.24)	Asset Acquisition Agreement, dated as of September 29, 2000, by and among The Coca-Cola Bottling Company of West Virginia, Inc., Coca-Cola Bottling Company of Roanoke, Inc. and Coca-Cola Enterprises Inc.	Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended October 1, 2000.
(10.25)	Franchise Acquisition Agreement, dated as of September 29, 2000, by and among WVBC, Inc., ROBC, Inc. and Coca-Cola Enterprises Inc.	Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended October 1, 2000.
(10.26)	Guaranty Agreement, dated as of September 29, 2000, between the Company and Coca-Cola Enterprises Inc.	Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the quarter ended October 1, 2000.
(10.27)	Supplemental Savings Incentive Plan, as amended and restated as of January 1, 2001, between Eligible Employees of the Company and the Company. **	Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended April 1, 2001.
(10.28)	Employment Agreement Termination dated as of April 27, 2001, between the Company and James L. Moore, Jr. **	Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended July 1, 2001.
(10.29)	Officer Retention Plan (ORP), as amended and restated as of January 1, 2001, between Eligible Employees of the Company and the Company. **	Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended July 1, 2001.
(10.30)	Master Amendment to Partnership Agreement, Management Agreement and Definition and Adjustment Agreement dated as of January 2, 2002 by and among Piedmont Coca-Cola Bottling Partnership, The Coca-Cola Company and the Company.	Exhibit 10.1 to the Company's Current Report on Form 8-K dated January 2, 2002.
(10.31)	Securities Purchase Agreement, dated as of January 2, 2002, by and between Piedmont Partnership Holding Company, a Delaware corporation (KO Subsidiary), and Coca-Cola Ventures, Inc., a Delaware corporation (Consolidated Subsidiary).	Exhibit 10.38 to the Company's Annual Report on Form 10-K for the fiscal year ended December 30, 2001.

Number	Description	Incorporated by Reference or Filed Herewith
(10.32)	Assignment, dated as of January 2, 2002, by and between Piedmont Partnership Holding Company, a Delaware corporation (KO Subsidiary), and Coca-Cola Ventures, Inc., a Delaware corporation (Consolidated Subsidiary).	Exhibit 10.39 to the Company's Annual Report on Form 10-K for the fiscal year ended December 30, 2001.
(10.33)	First Amendment to Lease (relating to the Lease Agreement designated as Exhibit 10.3) and First Amendment to Memorandum of Lease, dated as of August 30, 2002, between Ragland Corporation and the Company.	Filed herewith.
(10.34)	Sweetener Sales Agreement, dated as of October 14, 2002, by and between The Coca-Cola Company and the Company.	Filed herewith.
(10.35)	Limited Liability Company Operating Agreement of Coca-Cola Bottlers' Sales & Services Company, LLC, dated as of December 11, 2002, by and between Coca-Cola Bottlers' Sales & Services Company, LLC and Consolidated Beverage Co., a wholly-owned subsidiary of the Company.	Filed herewith.
(21.1)	List of subsidiaries.	Filed herewith.
(23.1)	Consent of Independent Accountants to Incorporation by Reference into Form S-3 (Registration No. 33-4325), Form S-3 (Registration No. 33-54657), Form S-3 (Registration No. 333-71003) and Form S-8 (Registration No. 333-88130).	Filed herewith.
(99.1)	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	Filed herewith.
(99.2)	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	Filed herewith.

* Carolina Coca-Cola Bottling Partnership's name was changed to Piedmont Coca-Cola Bottling Partnership.

** Management contracts and compensatory plans and arrangements required to be filed as exhibits to this form pursuant to Item 15(c) of this report.

B. Reports on Form 8-K

On October 30, 2002, the Company filed a Current Report on Form 8-K relating to the announcement of the Company's financial results for the period ended September 29, 2002.

On November 21, 2002, the Company filed a Current Report on Form 8-K relating to the issuance of $150 million of its 5.00% Senior Notes due 2012.

On March 3, 2003, the Company filed a Current Report on Form 8-K relating to the announcement of the Company's financial results for the period ended December 29, 2002.

On March 6, 2003, the Company filed a Current Report on Form 8-K relating to the announcement of the Company's plan to increase its ownership of Piedmont Coca-Cola Bottling Partnership.

C. Exhibits

See Item 15.A.3

D. Financial Statement Schedules

See Item 15.A.2

Schedule II

COCA-COLA BOTTLING CO. CONSOLIDATED

VALUATION AND QUALIFYING ACCOUNTS AND RESERVES

(In Thousands)

Description	Balance at Beginning of Year	Additions Charged to Costs and Expenses	Deductions	Balance at End of Year
Allowance for doubtful accounts:				
Fiscal year ended December 29, 2002	$ 1,863	$ 1,190	$ 1,377	$ 1,676
Fiscal year ended December 30, 2001	$ 918	$ 1,463	$ 518	$ 1,863
Fiscal year ended December 31, 2000	$ 850	$ 580	$ 512	$ 918

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

COCA-COLA BOTTLING CO. CONSOLIDATED
(REGISTRANT)

Date: March 28, 2003

By: /s/ J. FRANK HARRISON, III

J. Frank Harrison, III
Chairman of the Board of Directors
and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

	Signature	Title	Date
By:	/s/ J. FRANK HARRISON, III **J. Frank Harrison, III**	Chairman of the Board of Directors, Chief Executive Officer and Director	March 28, 2003
By:	/s/ H.W. MCKAY BELK **H.W. McKay Belk**	Director	March 28, 2003
By:	/s/ SHARON A. DECKER **Sharon A. Decker**	Director	March 28, 2003
By:	/s/ WILLIAM B. ELMORE **William B. Elmore**	President, Chief Operating Officer and Director	March 28, 2003
By:	/s/ REID M. HENSON **Reid M. Henson**	Director	March 28, 2003
By:	/s/ NED R. MCWHERTER **Ned R. McWherter**	Director	March 28, 2003
By:	/s/ JAMES L. MOORE, JR. **James L. Moore, Jr.**	Vice Chairman of the Board of Directors and Director	March 28, 2003
By:	/S/ JOHN W. MURREY, III **John W. Murrey, III**	Director	March 28, 2003
By:	/S/ CARL WARE **Carl Ware**	Director	March 28, 2003
By:	/S/ DENNIS A. WICKER **Dennis A. Wicker**	Director	March 28, 2003
By:	/s/ DAVID V. SINGER **David V. Singer**	Executive Vice President and Chief Financial Officer	March 28, 2003
By:	/s/ STEVEN D. WESTPHAL **Steven D. Westphal**	Vice President, Controller and Chief Accounting Officer	March 28, 2003

I, J. Frank Harrison, III, certify that:

1. I have reviewed this annual report on Form 10-K of Coca-Cola Bottling Co. Consolidated;

2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

   a) Designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;

   b) Evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and

   c) Presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this annual report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: March 28, 2003

By: /s/ J. FRANK HARRISON, III

J. Frank Harrison, III
Chairman of the Board of Directors
and Chief Executive Officer

I, David V. Singer, certify that:

1. I have reviewed this annual report on Form 10-K of Coca-Cola Bottling Co. Consolidated;

2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

   a) Designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;

   b) Evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and

   c) Presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this annual report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: March 28, 2003

By: /s/ DAVID V. SINGER

David V. Singer
Executive Vice President and
Chief Financial Officer

Coca-Cola Bottling Co. Consolidated

TO

NationsBank of Georgia, National Association,
Trustee

Supplemental Indenture

Dated as of March 3, 1995

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NOTE: This table of contents shall not, for any purpose, be deemed to be a part of the Indenture.

ARTICLE SEVEN

HOLDERS' LISTS AND REPORTS BY TRUSTEE AND COMPANY

ARTICLE EIGHT

CONSOLIDATION, MERGER, CONVEYANCE, OR TRANSFER

ARTICLE NINE

SUPPLEMENTAL INDENTURES

SUPPLEMENTAL INDENTURE, dated as of March 3, 1995, between Coca-Cola Bottling Co. Consolidated, a corporation duly organized and existing under the laws of the State of Delaware (herein called the **"Company"**), having its principal office at 1900 Rexford Road, Charlotte, North Carolina 28211, and NationsBank of Georgia, National Association, a National Banking Association organized under the laws of the United States, as Trustee (herein called the **"Trustee"**), having its principal office at 600 Peachtree Street, Atlanta, Georgia 30308.

RECITALS OF THE COMPANY

The Company has duly authorized the execution and delivery of this Supplemental Indenture to provide for the issuance from time to time of its unsecured debentures, notes or other evidences of indebtedness (herein called the **"Securities"**), to be issued in one or more series as in this Indenture provided. This Supplemental Indenture amends and supplements, and restates (as amended and supplemented) the provisions of that certain Indenture between the Company and the Trustee dated July 20, 1994 (the **"Original Indenture"**).

All things necessary to make this Supplemental Indenture a valid agreement of the Company, in accordance with its terms and with the terms of the Original Indenture, have been done.

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

For and in consideration of the premises and the purchase of the Securities by the Holders thereof, it is mutually covenanted and agreed, for the equal and proportionate benefit of all Holders of the Securities or of series thereof, as follows:

ARTICLE ONE

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

SECTION 101. Definitions.

For all purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires:

(1) the terms defined in this Article have the meanings assigned to them in this Article and include the plural as well as the singular;

(2) all other terms used herein which are defined in the Trust Indenture Act, either directly or by reference therein, have the meanings assigned to them therein;

(3) all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles and, except as otherwise herein expressly provided, the term "generally accepted accounting principles" with respect to any computation required or permitted hereunder shall mean such accounting principles as are generally accepted at the date of such computation; and

(4) the words **"herein"**, **"hereof"** and **"hereunder"** and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision.

Certain terms, used principally in Article Six, are defined in that Article.

" Act", when used with respect to any Holder, has the meaning specified in Section 104.

" Affiliate" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, "control" when used with respect to any specified Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

" Attributable Debt" means, as to any particular lease under which any person is at the time liable, at any date as of which the amount thereof is to be determined, the total net amount of rent required to be paid by such Person under such lease during the remaining primary term thereof, discounted from the respective due date thereof to such date at a rate per annum equal to the weighted average interest rate, or yield to maturity in the case of an Original Issue Discount Security, borne by all the Outstanding Securities. The weighted average interest rate borne by the Securities shall be calculated by dividing the aggregate of the annual interest payments required on the Securities, based on the amount Outstanding at the latest date any Securities were issued hereunder, by the aggregate principal amount of the Securities Outstanding at such date. In the case of an Original Issue Discount Security, the amount Outstanding shall be deemed to be the entire principal amount thereof and the annual interest payments shall be deemed to be the product obtained by multiplying such entire principal amount by the rate of interest payable on overdue principal. The net amount of rent required to be paid under any such lease for any such period shall be the amount of the rent payable by the lessee with respect to such period, after excluding amounts required to be paid on account of maintenance and repairs, insurance, taxes, assessments, water rates and similar charges. In the case of any lease which is terminable by the lessee upon the payment of a penalty, such net amount shall also include the amount of such penalty, but no rent shall be considered as required to be paid under such lease subsequent to the first date upon which it may be so terminated.

" Authenticating Agent" means any Person authorized by the Trustee to act on behalf of the Trustee to authenticate Securities.

“ Board of Directors” means either the board of directors of the Company or any duly authorized committee of that board.

“ Board Resolution” means a copy of a resolution certified by the Secretary or an Assistant Secretary of the Company to have been duly adopted by the Board of Directors and to be in full force and effect on the date of such certification, and delivered to the Trustee.

“ Business Day”, when used with respect to any Place of Payment, means each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which any banking institutions in that Place of Payment are authorized or obligated by law to close.

“ Capital Stock”, as applied to the stock of any corporation, means the capital stock of every class whether now or hereafter authorized, regardless of whether such capital stock shall be limited to a fixed sum or percentage with respect to the rights of the holders thereof to participate in dividends and in the distribution of assets upon the voluntary or involuntary liquidation, dissolution or winding up of such corporation.

“ Commission” means the Securities and Exchange Commission, as from time to time constituted, created under the Securities Exchange Act of 1934, or, if at any time after the execution of this instrument such Commission is not existing and performing the duties now assigned to it under the Trust Indenture Act, then the body performing such duties at such time.

“ Company” means the Person named as the “Company” in the first paragraph of this instrument until a successor corporation shall have become such pursuant to the applicable provisions of this Indenture, and thereafter “Company” shall mean such successor corporation.

“ Company Request” and **“Company Order”** mean, respectively, a written request or order signed in the name of the Company by the Chairman of the Board or a Vice Chairman, the President or a Vice President (any reference to a Vice President of the Company herein shall be deemed to include any Vice President of the Company whether or not designated by a number or a word or words added before or after the title “Vice President”), and by the Treasurer, an Assistant Treasurer, the Controller, an Assistant Controller, the Secretary or an Assistant Secretary of the Company, and delivered to the Trustee.

“ Consolidated Net Tangible Assets” means the aggregate amount of assets (less applicable reserves and other properly deductible items) after deducting therefrom (i) all current liabilities and (ii) all goodwill, trade names, trademarks, patents, unamortized debt discount and expense and other like intangibles, all as set forth on the most recent balance sheet of the Company and its consolidated subsidiaries and computed in accordance with generally accepted accounting principles. For purposes of this definition, any leasehold interest of the Company or any Restricted Subsidiary shall be deemed to be a tangible asset if the rental obligations thereunder are included in Funded Debt.

“ Corporate Trust Office” means the principle office of the Trustee at which at any particular time its corporate trust business shall be principally administered, which office at the date hereof is located at 600 Peachtree Street, Suite 900, Atlanta, Georgia 30308, Attention: Corporate Trust Administration.

“ corporation” includes corporations, associations, companies and business trusts.

“ Debt” has the meaning specified in Section 1006.

“ Defaulted Interest” has the meaning specified in Section 307.

“ Depositary” means, with respect to the Securities of any series issuable or issued in the form of a global Security, the Person designated as Depositary by the Company pursuant to Section 301 until a successor Depositary shall have become such pursuant to the applicable provisions of this Indenture, and thereafter “Depositary” shall mean or include each Person who is then a Depositary hereunder, and if at any time there is more than one such Person, “Depositary” as used with respect to the Securities of any such series shall mean the Depositary with respect to the Securities of that series.

“ Event of Default” has the meaning specified in Section 501.

“ Funded Debt” means (i) all indebtedness for money borrowed having a maturity of more than 12 months from the date as of which the amount thereof is to be determined or having a maturity of less than 12 months but by its terms being renewable or extendible beyond 12 months from such date at the option of the borrower, and (ii) rental obligations payable more than 12 months from such date under leases which are capitalized in accordance with generally accepted accounting principles (such rental obligations to be included as Funded Debt at the amount so capitalized and to be included for the purposes of the definition of Consolidated Net Tangible Assets both as an asset and as Funded Debt at the amount so capitalized).

“ Holder” means a Person in whose name a Security is registered in the Security Register.

“ Indenture” means this Instrument as originally executed or as it may from time to time be supplemented or amended by one or more Indentures supplemental hereto entered into pursuant to the applicable provisions hereof and shall include the terms of any particular series of Securities established as contemplated by Section 301.

“ interest”, when used with respect to an Original Issue Discount Security which by its terms bears interest only after Maturity, means interest payable after Maturity.

“ Interest Payment Date”, when used with respect to any Security, means the Stated Maturity of an installment of interest on such Security.

“ Maturity”, when used with respect to any Security, means the date on which the principal of such Security or an installment of principal becomes due and payable as therein or herein provided, whether at the Stated Maturity or by declaration of acceleration, call for redemption, occurrence of any Repayment Date or otherwise.

“ Mortgage” has the meaning specified in Section 1006.

“ Officers’ Certificate” means a certificate signed by the Chairman of the Board, a Vice Chairman, the President or a Vice President, and by the Treasurer, an Assistant Treasurer, the Controller, an Assistant Controller, the Secretary or an Assistant Secretary of the Company and delivered to the Trustee.

“ Opinion of Counsel” means a written opinion of counsel, who may (except as otherwise provided in this Indenture) be counsel for, or an employee of, the Company and who shall be acceptable to the Trustee.

“ Original Issue Discount Security” means any Security which provides for an amount less than the principal amount thereof to be due and payable upon a declaration of acceleration of the Maturity thereof pursuant to Section 502.

“ Outstanding”, when used with respect to Securities of any series, means, as of the date of determination, all Securities of such series theretofore authenticated and delivered under this Indenture, except:

(i) Securities theretofore canceled by the Trustee or delivered to the Trustee for cancellation;

(ii) Securities for whose payment or redemption money in the necessary amount has been theretofore deposited with the Trustee or any Paying Agent (other than the Company) in trust or set aside and segregated in trust by the Company (if the Company shall act as its own Paying Agent) for the Holders of such Securities; provided that, if such Securities are to be redeemed, notice of such redemption has been duly given pursuant to this Indenture or provision therefor satisfactory to the Trustee has been made; and

(iii) Securities which have been paid pursuant to Section 306 or in exchange for or in lieu of which other Securities have been authenticated and delivered pursuant to this Indenture, other than any such Securities in respect of which there shall have been presented to the Trustee proof satisfactory to it that such Securities are held by a bona fide purchaser in whose hands such Securities are valid obligations of the Company;

provided, however, that in determining whether the Holders of the requisite principal amount of the Outstanding Securities of any series have given any request, demand, authorization, direction, notice, consent or waiver hereunder, (i) the principal amount of an Original Issue

Discount Security that shall be deemed to be Outstanding shall be the amount of the principal thereof that would be due and payable as of the date of such determination upon acceleration of the Maturity thereof pursuant to Section 502, and (ii) Securities owned by the Company or any other obligor upon the Securities or any Affiliate of the Company or of such other obligor shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Securities which the Trustee knows to be so owned shall be so disregarded. Securities so owned which have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Securities and that the pledgee is not the Company or any other obligor upon the Securities or any Affiliate of the Company or of such other obligor.

" Paying Agent" means any Person authorized by the Company to pay the principal of (and premium, if any) or interest on any Securities on behalf of the Company.

" Person" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

" Place of Payment", when used with respect to the Securities of any series, means the place or places where the principal of (and premium, if any) and interest on the Securities of that Series are payable as specified as contemplated by Section 301.

" Predecessor Security" of any particular Security means every previous Security evidencing all or a portion of the same debt as that evidenced by such particular Security; and, for the purposes of this definition, any Security authenticated and delivered under Section 306 in exchange for or in lieu of a mutilated, destroyed, lost or stolen Security shall be deemed to evidence the same debt as the mutilated, destroyed, lost or stolen Security.

" Preferred Stock," as applied to the Capital Stock of any corporation, means Capital Stock ranking prior to the shares of any other class of Capital Stock of said corporation as to the payment of dividends or the distribution of assets on any voluntary or involuntary liquidation.

" Principal Property" means any building, structure or other facility, together with the land upon which it is erected and fixtures comprising a part thereof, used primarily for the bottling, canning or packaging of soft drinks or soft drink products or warehousing and distributing of such products, owned or leased by the Company or any Subsidiary of the Company, the gross book value (without deduction of any depreciation reserves) of which on the date as of which the determination is being made exceeds 3 % of Consolidated Net Tangible Assets, other than any such building, structure or other facility or portion thereof which, in the opinion of the Board of Directors, is not of material importance to the total business conducted by the Company and its Subsidiaries as an entirety.

“ Redemption Date”, when used with respect to any Security to be redeemed, means the date fixed for such redemption by or pursuant to this Indenture.

“ Redemption Price”, when used with respect to any Security to be redeemed, means the price at which it is to be redeemed pursuant to this Indenture.

“ Regular Record Date” for the interest payable on any Interest Payment Date on the Securities of any series means the date specified for that purpose as contemplated by Section 301.

“ Repayment Date”, when used with respect to any Security of any series to be repaid, means the date, if any, fixed for such repayment pursuant to Section 301 of this Indenture.

“ Repayment Price”, when used with respect to any Security of any series to be repaid, means the price, if any, at which such Security is to be repaid pursuant to Section 301 of this Indenture.

“ Responsible Officer”, when used with respect to the Trustee, means any officer in the Corporate Trust Office of the Trustee or any other officer of the Trustee customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

“ Restricted Subsidiary” means a Subsidiary of the Company which (i) owns a Principal Property as of the date hereof, or (ii) acquires a Principal Property after the date hereof from the Company or a Restricted Subsidiary other than for cash equal to such property’s fair market value as determined by the Board of Directors, or (iii) acquires a Principal Property after the date hereof by purchase with funds substantially all of which are provided by the Company or a Restricted Subsidiary or with the proceeds of indebtedness for money borrowed, which indebtedness is guaranteed in whole or in part by the Company or a Restricted Subsidiary, or (iv) is a party to any contract with respect to the bottling, canning, packaging or distribution of soft drinks or soft drink products, other than any such contract which in the opinion of the Board of Directors is not of material importance to the total business conducted by the Company and its Subsidiaries as an entirety.

“ Securities” has the meaning stated in the first recital of this Indenture and more particularly means any Securities authenticated and delivered under this Indenture.

“ Security Register” and “Security Registrar” have the respective meanings specified in Section 305.

“ Special Record Date” for the payment of any Defaulted Interest means a date fixed by the Trustee pursuant to Section 307.

“ Stated Maturity”, when used with respect to any Security or any Installment of principal thereof or Interest thereon, means the date specified in such Security as the fixed date on which the principal of such Security or such installment of principal or interest is due and payable.

“ Subsidiary” means a corporation more than 50% of the outstanding Voting Stock of which is owned, directly or indirectly by the Company or by one or more other Subsidiaries, or by the Company and one or more other Subsidiaries.

“ Trustee” means the Person named as the “Trustee” in the first paragraph of this instrument until a successor Trustee shall have become such pursuant to the applicable provisions of this Indenture, and thereafter “Trustee” shall mean or include each Person who is then a Trustee hereunder, and if at any time there is more than one such Person, “Trustee” as used with respect to the Securities of any series shall mean the Trustee with respect to Securities of that series.

“ Trust Indenture Act” means the Trust Indenture Act of 1939, as amended and in force at the date as of which this instrument was executed, except as provided in Section 905.

“ Voting Stock” means stock of the class or classes having general voting power under ordinary circumstances for the election of the board of directors, managers or trustees of such corporation (irrespective of whether or not at the time stock of any other class or classes shall have or might have voting power by reason of the happening of any contingency).

SECTION 102. Compliance Certificates and Opinions.

Except as otherwise expressly provided by this Indenture, upon any application or request by the Company to the Trustee to take any action under any provision of this Indenture, the Company shall furnish to the Trustee an Officers’ Certificate stating that all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with and an Opinion of Counsel stating that in the opinion of such counsel all such conditions precedent, if any, have been complied with, except that in the case of any such application or request as to which the furnishing of such documents is specifically required by any provision of this Indenture relating to such particular application or request, no additional certificate or opinion need be furnished.

Every certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture (other than certificates provided pursuant to paragraph (4) of Section 704 of this Indenture) shall include:

(1) a statement that each individual signing such certificate or opinion has read such covenant or condition and the definitions herein relating thereto;

(2) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(3) a statement that, in the opinion of each such individual, he or she has made such examination or investigation as is necessary to enable him or her to express an informed opinion as to whether or not such covenant or condition has been complied with, and

(4) a statement as to whether, in the opinion of each such individual, such condition or covenant has been complied with.

SECTION 103. Form of Documents Delivered to Trustee.

In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more other such Persons as to other matters, and any such Person may certify or give an opinion as to such matters in one or several documents.

Any certificate or opinion of an officer of the Company may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by, counsel, unless such officer knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to the matters upon which his certificate or opinion is based are erroneous. Any such certificate or Opinion of Counsel may be based, insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, an officer or officers of the Company stating that the information with respect to such factual matters is in the possession of the Company, unless such counsel knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to such matters are erroneous.

Where any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Indenture, they may, but need not, be consolidated and form one instrument.

SECTION 104. Acts of Holders.

(a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given or taken by Holders may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Holders in person or by agent duly appointed in writing; and, except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments are delivered to the Trustee and, where it is hereby expressly required, to the Company. Such instrument or instruments (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the “Act” of the Holders signing such instrument or instruments. Proof of execution of any such instrument or of a writing appointing any such agent shall be sufficient

for any purpose of this Indenture and (subject to Section 601) conclusive in favor of the Trustee and the Company, if made in the manner provided in this Section.

(b) The fact and date of the execution by any Person of any such instrument or writing may be proved in any reasonable manner which the Trustee deems sufficient.

(c) The ownership of Securities shall be proved by the Security Register.

(d) Any request, demand, authorization, direction, notice, consent, waiver or other Act of the Holder of any Security shall bind every future Holder of the same Security and the Holder of every Security issued upon the registration or transfer thereof or in exchange therefor or in lieu thereof in respect of anything done, omitted or suffered to be done by the Trustee, any Security Registrar, any Paying Agent, any Authenticating Agent or the Company in reliance thereon, whether or not notation of such action is made upon such Security.

(e) Without limiting the generality of the foregoing, unless otherwise specified pursuant to Section 301 or pursuant to one or more indentures supplemental hereto, a Holder, including a Depositary that is the Holder of a global Security, may make, give or take, by a proxy or proxies duly appointed in writing, any request, demand, authorization, direction, notice, consent, waiver or other action provided in this Indenture to be made, given or taken by Holders, and a Depositary that is the Holder of a global Security may provide its proxy or proxies to the beneficial owners of interests in any such global Security through such Depositary's standing instructions and customary practices.

(f) The Trustee shall fix a record date for the purpose of determining the Persons who are beneficial owners of interests in any global Security held by a Depositary entitled under the procedures of such Depositary to make, give or take, by a proxy or proxies duly appointed in writing, any request, demand, authorization, direction, notice, consent, waiver or other action provided in this Indenture to be made, given or taken by Holders. If such a record date is fixed, the Holders on such record date or their duly appointed proxy or proxies, and only such Persons, shall be entitled to make, give or take such request, demand, authorization, direction, notice, consent, waiver or other action, whether or not such Holders remain Holders after such record date. No such request, demand, authorization, direction, notice, consent, waiver or other action shall be valid or effective if made, given or taken more than 90 days after such record date.

SECTION 105. Notices, Etc., to Trustee and Company.

Any request, demand, authorization, direction, notice, consent, waiver or Act of Holders or other document provided or permitted by this Indenture to be made upon, given or furnished to, or filed with,

(1) the Trustee by any Holder or by the Company shall be sufficient for every purpose hereunder if made, given, furnished or filed in writing to or with the Trustee at

its Corporate Trust Office, Attention: Corporate Trust Administration, or at any other address previously furnished in writing to the Company by the Trustee, or

(2) the Company by the Trustee or by any Holder shall be sufficient for every purpose hereunder (unless otherwise herein expressly provided) if in writing and mailed, first-class postage prepaid, to the Company addressed to it and marked "Attention: Treasurer" at the address of its principal office specified in the first paragraph of this instrument or at any other address previously furnished in writing to the Trustee by the Company.

SECTION 106. Notice to Holders; Waiver.

Where this Indenture provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and mailed, first class postage prepaid, to each Holder affected by such event, at such Holder's address as it appears in the Security Register, not later than the latest date, and not earlier than the earliest date, prescribed for the giving of such notice. In any case where notice to Holders is given by mail, neither the failure to mail such notice, nor any defect in any notice so mailed, to any particular Holder shall affect the sufficiency of such notice with respect to other Holders. Where this Indenture provides for notice in any manner, such notice may be waived in writing by the person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

In case by reason of the suspension of regular mail service or by reason of any other cause it shall be impracticable to give such notice by mail, then such notification as shall be made with the approval of the Trustee shall constitute a sufficient notification for every purpose hereunder.

SECTION 107. Conflict with Trust Indenture Act.

If any provision hereof limits, qualifies or conflicts with another provision hereof which is required to be included in this Indenture by any of the provisions of the Trust Indenture Act, such required provision shall control.

SECTION 108. Effect of Headings and Table of Contents.

The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

SECTION 109. Successors and Assigns.

All covenants and agreements in this Indenture by the Company shall bind its successors and assigns, whether so expressed or not.

SECTION 110. Separability Clause.

In case any provision in this Indenture or in the Securities shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

SECTION 111. Benefits of Indenture.

Nothing in this Indenture or in the Securities, express or implied, shall give to any Person, other than the parties hereto, any Security Registrar and Paying Agent, any Authenticating Agent and their successors hereunder and the Holders, any benefit or any legal or equitable right, remedy or claim under this Indenture.

SECTION 112. Governing Law.

This Indenture and the Securities shall be governed by and construed in accordance with the laws of the State of New York.

SECTION 113. Legal Holidays.

In any case where any Interest Payment Date, Redemption Date, Repayment Date or Stated Maturity of any Security shall not be a Business Day at any Place of Payment, then (notwithstanding any other provision of this Indenture or of the Securities) payment of interest or principal (and premium, if any) need not be made at such Place of Payment on such date, but may be made on the next succeeding Business Day at such Place of Payment with the same force and effect as if made on the Interest Payment Date or Redemption Date, Repayment Date or at the Stated Maturity, provided that no interest shall accrue for the period from and after such Interest Payment Date, Redemption Date, Repayment Date or Stated Maturity, as the case may be.

ARTICLE TWO

SECURITY FORMS

SECTION 201. Forms Generally.

The Securities of each series shall have such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture, and may have such letters, numbers or other marks of identification and such legends or endorsements placed

thereon as may be required to comply with the rules of any securities exchange or as may, consistently herewith, be determined by the officers executing such Securities, as evidenced by their execution of the Securities. Any portion of the text of any Security may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Security.

The definitive Securities shall be printed, lithographed or engraved or produced by any combination of these methods on steel engraved borders or may be produced in any other manner, subject, with respect to the Securities of any series, to the rules of any securities exchange on which the Securities may be listed, all as determined by the officers executing such Securities, as evidenced by their execution of such Securities.

SECTION 202. Forms of Securities.

Each Security shall be in one of the forms approved from time to time by or pursuant to a Board Resolution, or established in one or more indentures supplemental hereto. Prior to the delivery of a Security to the Trustee for authentication in any form approved by or pursuant to a Board Resolution, the Company shall deliver to the Trustee the Board Resolution by or pursuant to which such form of Security has been approved, which Board Resolution shall have attached thereto a true and correct copy of the form of Security which has been approved thereby or, if a Board Resolution authorizes a specific officer or officers to approve a form of Security, a certificate of such officer or officers approving the form of Security attached thereto. Any form of Security approved by or pursuant to a Board Resolution must be acceptable as to form to the Trustee, such acceptance to be evidenced by the Trustee's authentication of Securities in that form or a certificate signed by a Responsible Officer of the Trustee and delivered to the Company.

SECTION 203. Form of Trustee's Certificate of Authentication.

The form of the Trustee's Certificate of Authentication for any Security issued pursuant to this Indenture shall be substantially as follows:

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

NationsBank of Georgia,
National Association, as Trustee

By: _____

Authorized Signatory

SECTION 204. Securities in Global Form.

If any Security of a series is issuable in global form, such Security may provide that it shall represent the aggregate amount of Outstanding Securities from time to time endorsed

thereon and may also provide that the aggregate amount of Outstanding Securities represented thereby may from time to time be reduced to reflect exchanges. Any endorsement of a Security in global form to reflect the amount, or any increase or decrease in the amount, of Outstanding Securities represented thereby shall be made by the Trustee and in such manner as shall be specified in such Security. Any instructions by the Company with respect to a Security in global form, after its initial issuance, shall be in writing but need not comply with Section 102.

ARTICLE THREE

THE SECURITIES

SECTION 301. Amount Unlimited; Issuable in Series.

The aggregate principal amount of Securities which may be authenticated and delivered under this Indenture is unlimited.

The Securities may be issued in one or more series. All Securities of each series issued under this Indenture shall in all respects be equally and ratably entitled to the benefits hereof with respect to such series without preference, priority or distinction on account of the actual time of the authentication and delivery or Maturity of the Securities of such series. There shall be established in or pursuant to a Board Resolution and, subject to Section 303, set forth, or determined in the manner provided, in an Officers' Certificate, or established in one or more indentures supplemental hereto, prior to the issuance of Securities of any series:

(1) the title of the Securities of the series (which shall distinguish the Securities of the series from all other Securities);

(2) any limit upon the aggregate principal amount of the Securities of the series which may be authenticated and delivered under this Indenture (except for Securities authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Securities of the series pursuant to Section 304, 305, 306, 906 or 1107 and except for any Securities which, pursuant to Section 303, are deemed never to have been authenticated and delivered hereunder);

(3) the date or dates (or manner of determining the same) on which the principal of the Securities of the series is payable (which, if so provided in such Board Resolution, may be determined by the Company from time to time and set forth in the Securities of the series issued from time to time);

(4) the rate or rates (or the manner of calculation thereof) at which the Securities of the series shall bear interest, if any, the date or dates from which such interest shall accrue (which, if so provided by the Board Resolution, may be determined by the Company from time to time and set forth in the Securities of the series issued from time

to time), the Interest Payment Dates on which such interest shall be payable and the Regular Record Date for the interest payable on any Interest Payment Date;

(5) if other than the Corporate Trust Office of the Trustee, the place or places where the principal of (and premium, if any) and interest, if any, on Securities of the series shall be payable;

(6) the period or periods within which, the price or prices at which and the terms and conditions upon which Securities of the series may be redeemed, in whole or in part, at the option of the Company;

(7) the obligation, if any, of the Company to redeem or repurchase Securities of the series pursuant to any sinking fund or analogous provisions or at the option of a Holder thereof and the period or periods within which, the price or prices at which and the terms and conditions upon which Securities of the series shall be redeemed or repurchased, in whole or in part, pursuant to such obligation;

(8) if other than denominations of $1,000 and any integral multiple thereof, the denominations in which Securities of the series shall be issuable;

(9) whether the Securities of the series shall be issued in whole or in part in the form of a global Security or Securities and, in such case, the Depositary for such global Security or Securities;

(10) if other than the principal amount thereof, the portion of the principal amount of Securities of the series which shall be payable upon declaration of acceleration of Maturity thereof pursuant to Section 502;

(11) the application, if any, of either or both of Section 1302 and Section 1303 hereof to the Securities of the series; and

(12) any other terms of the series (which terms shall not be inconsistent with the provisions of this Indenture).

All Securities of any one series shall be substantially identical except as to denomination and except as may otherwise be provided in or pursuant to the Board Resolution referred to above and (subject to Section 303) set forth in the Officers' Certificate referred to above or in any such indenture supplemental hereto.

If any of the terms of the series are established by action taken pursuant to a Board Resolution, a copy of an appropriate record of such action shall be certified by the Secretary or an Assistant Secretary of the Company and delivered to the Trustee at or prior to the delivery of the Officers' Certificate setting forth the terms of the series.

SECTION 302. Denominations.

The Securities of each series shall be issuable in registered form without coupons in such denominations as shall be specified as contemplated by Section 301. In the absence of any such provisions with respect to the Securities of any series, the Securities of such series shall be issuable in denominations of $1,000 and any integral multiple thereof.

SECTION 303. Execution, Authentication, Delivery and Dating.

The Securities shall be executed on behalf of the Company by its Chairman of the Board or one of its Vice Chairmen, its President or one of its Vice Presidents, under its corporate seal reproduced thereon attested by its Secretary or one of its Assistant Secretaries. The signature of any of these officers on the Securities may be manual or facsimile.

Securities bearing the manual or facsimile signatures of individuals who were at any time the proper officers of the Company shall bind the Company, notwithstanding that such individuals or any of them have ceased to hold such offices prior to the authentication and delivery of such Securities or did not hold such offices at the date of such Securities.

At any time and from time to time after the execution and delivery of this Indenture, the Company may deliver Securities of any series executed by the Company to the Trustee for authentication, together with a Company Order for the authentication and delivery of such Securities, and the Trustee in accordance with the Company Order shall authenticate and deliver such Securities. If any Security shall be represented by a global Security, then, for purposes of this Section and Section 304, the notation of the record owner's interest therein upon original issuance of such Security shall be deemed to be delivery in connection with the original issuance of each beneficial owner's interest in such global Security. If all the Securities of any one series are not to be originally issued at one time and if a Board Resolution relating to such Securities shall so permit, such Company Order may set forth procedures acceptable to the Trustee for the issuance and authentication of such Securities.

If the form or terms of the Securities of the series have been established in or pursuant to one or more Board Resolutions as permitted by Sections 201 and 301, in authenticating such Securities, and accepting the additional responsibilities under this Indenture in relation to such Securities, the Trustee shall be entitled to receive, and (subject to Section 601) shall be fully protected in relying upon, an Opinion of Counsel stating:

(a) if the form of such Securities has been established by or pursuant to Board Resolution as permitted by Section 201, that such form has been established in conformity with the provisions of this Indenture;

(b) if the terms of such Securities have been established by or pursuant to Board Resolution as permitted by Section 301, that such terms have been established in conformity with the provisions of this Indenture;

(c) that such Securities, when authenticated and delivered by the Trustee and issued by the Company in the manner and subject to any conditions specified in such Opinion of Counsel, will constitute valid and legally binding obligations of the Company, enforceable in accordance with their terms, subject to bankruptcy, insolvency, reorganization and other laws of general applicability relating to or affecting the enforcement of creditors' rights and to general equity principles;

(d) that all laws and requirements in respect of the execution and delivery by the Company of the Securities have been complied with; and

(e) such other matters as the Trustee may reasonably request.

If such form or terms have been so established, the Trustee shall not be required to authenticate such Securities if the issue of such Securities pursuant to this Indenture will affect the Trustee's own rights, duties or immunities under the Securities and this Indenture or otherwise in a manner which is not reasonably acceptable to the Trustee.

Notwithstanding the provisions of Section 301 and of the preceding paragraph, if all Securities of a series are not to be originally issued at one time, it shall not be necessary to deliver the Officers' Certificate otherwise required pursuant to Section 301 or the Company Order and Opinion of Counsel otherwise required pursuant to such preceding paragraph at or prior to the time of authentication of each Security of such series if such documents are delivered at or prior to the time of authentication upon original issuance of the first Security of such series to be issued.

Unless otherwise provided in the form of Security for any series, all Securities shall be dated the date of its authentication.

No Security shall be entitled to any benefit under this Indenture or be valid or obligatory for any purpose unless there appears on such Security a certificate of authentication substantially in the form provided for herein executed by the Trustee by manual signature, and such certificate upon any Security shall be conclusive evidence, and the only evidence, that such Security has been duly authenticated and delivered hereunder and is entitled to the benefits of this Indenture. Notwithstanding the foregoing, if any Security shall have been authenticated and delivered hereunder but never issued and sold by the Company, and the Company shall deliver such Security to the Trustee for cancellation as provided in Section 309 together with a written statement (which need not comply with Section 102 and need not be accompanied by an opinion of Counsel) stating that such Security has never been issued and sold by the Company, for all purposes of this Indenture such Security shall be deemed never to have been authenticated and delivered hereunder and shall never be entitled to the benefits of this Indenture.

If the Company shall establish pursuant to Section 301 that the Securities of a series are to be issued in the form of one or more global Securities, then the Company shall execute and the Trustee shall, in accordance with this Section and the Company Order with respect to such

series, authenticate and deliver one or more global Securities that (i) shall represent and shall be denominated in an amount equal to the aggregate principal amount of all of the Securities of such series issued and not yet canceled, (ii) shall be registered in the name of the Depositary for such global Security or Securities or the nominee of such Depositary, (iii) shall be delivered by the Trustee to such Depositary or pursuant to such Depositary's instructions and (iv) shall bear a legend substantially to the following effect: "Unless this certificate is presented by an authorized representative of the Depositary to the Company or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of the nominee of the Depositary or in such other name as is requested by an authorized representative of the Depositary (and any payment is made to the nominee of the Depositary or to such other entity as is requested by an authorized representative of the Depositary), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, the nominee of the Depositary, has an interest herein."

Each Depositary designated pursuant to Section 301 for a global Security must, at the time of its designation and at all times while it serves as Depositary, be a clearing agency registered under the Securities Exchange Act of 1934, as amended, and any other applicable statute or regulation.

SECTION 304. Temporary Securities.

Pending the preparation of definitive Securities of any series, the Company may execute, and upon Company Order the Trustee shall authenticate and deliver, temporary Securities which are printed, lithographed, typewritten, mimeographed or otherwise produced, in any authorized denomination, substantially of the tenor of the definitive Securities in lieu of which they are issued and with such appropriate insertions, omissions, substitutions and other variations as the officers executing such Securities may determine, as evidenced by their execution of such Securities.

If temporary Securities of any series are issued, the Company will cause definitive Securities of that series to be prepared without unreasonable delay. After the preparation of definitive Securities of such series, the temporary Securities of such series shall be exchangeable for definitive Securities of such series of like Stated Maturity and with like terms and provisions upon surrender of the temporary Securities of such series at the office or agency of the Company in a Place of Payment for that series, without charge to the Holder. Upon surrender for cancellation of any one or more temporary securities of any series, the Company shall execute and the Trustee shall authenticate and deliver in exchange therefor a like principal amount of definitive Securities of the same series and of like Stated Maturity and with like terms and provisions. Until so exchanged the temporary Securities of any series shall in all respects be entitled to the same benefits under this Indenture as definitive Securities of such series of like Stated Maturity and with like terms and provisions.

SECTION 305. Registration; Registration of Transfer and Exchange.

The Company shall cause to be kept at one of its offices or agencies maintained pursuant to Section 1002 a register (the register maintained in such office and in any other office or agency of the Company in a Place of Payment being herein sometimes collectively referred to as the **"Security Register")** in which, subject to such reasonable regulations as it may prescribe, the Company shall provide for the registration of Securities and of transfers of Securities. The person responsible for the maintenance of the Security Register is referred to herein as the **"Security Registrar".** The Trustee is hereby appointed the initial Security Registrar.

Upon surrender for registration of transfer of any Security of any series at the office or agency in a Place of Payment for that series, the Company shall execute, and the Trustee shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Securities of the same series, of any authorized denominations and of a like aggregate principal amount and tenor.

At the option of the Holder, Securities of any series may be exchanged for other Securities of the same series, of any authorized denominations and of a like aggregate principal amount and tenor, upon surrender of the Securities to be exchanged at such office or agency. Whenever any Securities are so surrendered for exchange, the Company shall execute, and the Trustee shall authenticate and deliver, the Securities which the Holder making the exchange is entitled to receive.

All Securities issued upon any registration of transfer or exchange of Securities shall be the valid obligations of the Company, evidencing the same debt, and entitled to the same benefits under this Indenture, as the Securities surrendered upon such registration of transfer or exchange.

Every Security presented or surrendered for registration of transfer or for exchange shall (if so required by the Company or the Security Registrar) be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed, by the Holder thereof or his attorney duly authorized in writing.

No service charge shall be made for any registration of transfer or exchange of Securities, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any registration of transfer or exchange of Securities, other than exchanges pursuant to Sections 304, 906 or 1107 not involving any transfer.

The Company shall not be required (i) to issue, register the transfer of or exchange Securities of any series during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption of Securities of that series selected for redemption under Section 1103 and ending at the close of business on the day of such mailing, or (ii) to

register the transfer of or exchange any Security so selected for redemption in whole or in part, except the unredeemed portion of any Security being redeemed in part.

Notwithstanding any other provision of this Section 305, unless and until it is exchanged in whole or in part for Securities in definitive registered form, a global Security representing all or a portion of the Securities of a series may not be transferred except as a whole by the Depositary for such series to a nominee of such Depositary or by a nominee of such Depositary to such Depositary or another nominee of such Depositary or by such Depositary or any such nominee to a successor Depositary for such series or a nominee of such successor depositary.

If at any time the Depositary for the Securities of a series notifies the Company that it is unwilling or unable to continue as Depositary for the Securities of such series or if at any time the Depositary for the Securities of such series shall no longer be eligible under Section 303, the Company shall appoint a successor Depositary with respect to the Securities of such series. If a successor Depositary for the Securities of such series is not appointed by the Company within 90 days after the Company receives such notice or becomes aware of such ineligibility, the Company's election pursuant to Section 301(9) shall no longer be effective with respect to the Securities of such series, and the Company will execute, and the Trustee, upon receipt of a Company Order for the authentication and delivery of definitive Securities of such series, will authenticate and deliver, Securities of such series in definitive registered form without coupons, in any authorized denominations, in an aggregate principal amount equal to the principal amount of the global Security or Securities representing such series, in exchange for such global Security or Securities.

The Company may at any time and in its sole discretion determine that the Securities of any series issued in the form of one or more global Securities shall no longer be represented by a global Security or Securities. In such event the Company will execute, and the Trustee, upon receipt of a Company Order for the authentication and delivery of definitive Securities of such series, will authenticate and deliver, Securities of such series in definitive registered form without coupons, in any authorized denominations, in an aggregate principal amount equal to the principal amount of the global Security or Securities representing such series, in exchange for such global Security or Securities.

If specified by the Company pursuant to Section 301 with respect to a series of Securities, a Person owning a beneficial interest in a global Security for Securities of a series may instruct the Depositary for such series of Securities to surrender such global Security in exchange in whole or in part for Securities of such series in definitive registered form on such terms as are acceptable to the Company and such Depositary. Thereupon, the Company shall execute, and the Trustee shall authenticate and deliver, without service charge:

(i) to the Person specified by such Depositary a new Security or Securities of the same series, of any authorized denomination as requested by such Person, in an aggregate principal amount equal to and in exchange for such Person's beneficial interest in the global Security; and

(ii) to such Depositary a new global Security in a denomination equal to the difference, if any, between the principal amount of the surrendered global Security and the aggregate principal amount of Securities authenticated and delivered pursuant to Clause (i) above.

Upon the exchange of a global Security for Securities in definitive registered form without coupons, in authorized denominations, such global Security shall be canceled by the Trustee. Securities in definitive registered form without coupons issued in exchange for a global Security pursuant to this Section 305 shall be registered in such names and in such authorized denominations as the Depositary for such global Security, pursuant to instructions from its direct or indirect participants or otherwise, shall instruct the Trustee. The Trustee shall deliver such Securities to or as directed by the Persons in whose names such Securities are so registered.

SECTION 306. Mutilated, Destroyed, Lost and Stolen Securities.

If any mutilated Security is surrendered to the Trustee, the Company shall execute and the Trustee shall authenticate and deliver in exchange therefor a new Security of the same series and of like tenor and principal amount and bearing a number not contemporaneously outstanding.

If there shall be delivered to the Company and the Trustee (i) evidence to their satisfaction of the destruction, loss or theft of any Security and (ii) such security or indemnity as may be required by them to save each of them and any agent of either of them harmless, then, in the absence of notice to the Company or the Trustee that such Security has been acquired by a bona fide purchaser, the Company shall execute and upon its request the Trustee shall authenticate and deliver, in lieu of any such destroyed, lost or stolen Security, a new Security of the same series and of like tenor and principal amount and bearing a number not contemporaneously outstanding.

In case any such mutilated, destroyed, lost or stolen Security has become or is about to become due and payable, the Company in its discretion may, instead of issuing a new Security, pay such Security.

Upon the issuance of any new Security under this Section, the Company may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Trustee) connected therewith.

Every new Security of any series issued pursuant to this Section in lieu of any destroyed, lost or stolen Security shall constitute an original additional contractual obligation of the Company, whether or not the destroyed, lost or stolen Security shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Indenture equally and proportionately with any and all other Securities of that series duly issued hereunder.

The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Securities.

SECTION 307. Payment of Interest; Interest Rights Reserved.

Unless otherwise provided as contemplated by Section 301 with respect to any series of Securities, interest on any Security which is payable, and is punctually paid or duly provided for, on any Interest Payment Date shall be paid to the Person in whose name that Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest.

Any interest on any Security of any series which is payable, but is not punctually paid or duly provided for, on any Interest Payment Date (herein called **"Defaulted Interest"**) shall forthwith cease to be payable to the Holder on the relevant Regular Record Date by virtue of having been such Holder, and such Defaulted Interest may be paid by the Company, at its election in each case, as provided in Clause (1) or (2) below:

(1) The Company may elect to make payment of any Defaulted Interest to the Persons in whose names the Securities of such series (or their respective Predecessor Securities) are registered at the close of business on a Special Record Date for the payment of such Defaulted Interest, which shall be fixed in the following manner. The Company shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on each Security of such series and the date of the proposed payment, and at the same time the Company shall deposit with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the Persons entitled to such Defaulted Interest as in this Clause provided. Thereupon the Trustee shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 days and not less than 10 days prior to the date of the proposed payment and not less than 10 days after the receipt by the Trustee of the notice of the proposed payment. The Trustee shall promptly notify the Company of such Special Record Date and, in the name and at the expense of the Company, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class postage prepaid, to each Holder of Securities of such series at his address as it appears in the Security Register, not less than 11 days prior to such Special Record Date. The Trustee may, in its discretion, in the name and at the expense of the Company, cause a similar notice to be published at least once in an authorized newspaper in each Place of Payment, but such publication shall not be a condition precedent to the establishment of such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been so mailed, such Defaulted Interest shall be paid to the Persons in whose names the Securities of such series (or their respective Predecessor Securities) are registered at the

close of business on such Special Record Date and shall no longer be payable pursuant to the following Clause (2).

(2) The Company may make payment of any Defaulted Interest on the Securities of any series in any other lawful manner not inconsistent with the requirements of any securities exchange on which such Securities may be listed, and upon such notice as may be required by such exchange, if, after notice given by the Company to the Trustee of the proposed payment pursuant to this Clause, such manner of payment shall be deemed practicable by the Trustee.

Subject to the foregoing provisions of this Section, each Security delivered under this Indenture upon registration of transfer of or in exchange for or in lieu of any other Security shall carry the rights to interest accrued and unpaid, and to accrue, which were carried by such other Security.

SECTION 308. Persons Deemed Owners.

Prior to due presentment of a Security for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name such Security is registered as the owner of such Security for the purpose of receiving payment of principal of (and premium, if any) and (subject to Section 307) interest, if any, on such Security and for all other purposes whatsoever, whether or not such Security be overdue, and neither the Company, the Trustee nor any agent of the Company or the Trustee shall be affected by notice to the contrary.

None of the Company, the Trustee, any Paying Agent or the Security Registrar will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests of a global Security or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

SECTION 309. Cancellation.

All Securities surrendered for payment, redemption, registration of transfer or exchange or for credit against any sinking fund payment shall, if surrendered to any Person other than the Trustee, be delivered to the Trustee and shall be promptly canceled by it. The Company may at any time deliver to the Trustee for cancellation any Securities previously authenticated and delivered hereunder which the Company may have acquired in any manner whatsoever and may deliver to the Trustee (or to any other Person for delivery to the Trustee) for cancellation any Securities previously authenticated hereunder which the Company has not issued and sold, and all Securities so delivered shall be promptly canceled by the Trustee, except that if a global Security is so surrendered, the Company shall execute, and the Trustee shall authenticate and deliver to the Depositary for such global Security, without service charge, a new global Security or Securities in a denomination equal to and in exchange for the unredeemed portion of the principal of the global Security so surrendered. No Securities shall be authenticated in lieu of

or in exchange for any Securities canceled as provided in this Section, except as expressly permitted by this Indenture. All canceled Securities held by the Trustee shall be destroyed by the Trustee, and the Trustee shall deliver a certificate of such destruction to the Company.

Notwithstanding any other provision of this Indenture to the contrary, in the case of a series, all the Securities of which are not deemed to have been originally issued at one time, a Security of such series shall not be deemed to have been Outstanding at any time hereunder if and to the extent that, subsequent to the authentication and delivery thereof, such Security is delivered to the Trustee for such Security for cancellation by the Company or any agent thereof upon the failure of the original purchaser thereof to make payment therefor against delivery thereof, and any Security so delivered to such Trustee shall be promptly canceled by it.

SECTION 310. Computation of Interest.

Except as otherwise specified as contemplated by Section 301 for Securities of any series, interest, if any, on the Securities of each series shall be computed on the basis of a 360-day year of twelve 30-day months.

SECTION 311. Medium-Term Securities.

Notwithstanding any contrary provision herein, if all Securities of a series are not to be originally issued at one time, it shall not be necessary for the Company to deliver to the Trustee an Officers' Certificate, Board Resolution, supplemental indenture, Opinion of Counsel or Company Order otherwise required pursuant to Sections 102, 202, 301 and 303 at or prior to the time of authentication of each Security of such series if such documents are delivered to the Trustee or its agent at or prior to the authentication upon original issuance of the first Security of such series to be issued; provided that any subsequent request by the Company to the Trustee to authenticate Securities of such series upon original issuance shall constitute a representation and warranty by the Company that as of the date of such request, the statements made in the Officers' Certificate or other certificates delivered pursuant to Sections 102 [and 202] shall be true and correct as if made on such date.

A Company Order, Officers' Certificate or Board Resolution or supplemental indenture delivered by the Company to the Trustee in the circumstances set forth in the preceding paragraph may provide that Securities which are the subject thereof will be authenticated and delivered by the Trustee or its agent on original issue from time to time in the aggregate principal amount established for such series pursuant to such procedures acceptable to the Trustee as may be specified from time to time by Company Order upon the telephonic, electronic or written order of persons designated in such Company Order, Officers' Certificate, supplemental indenture or Board Resolution (any such telephonic or electronic instructions to be promptly confirmed in writing by such persons) and that such persons are authorized to determine, consistent with such Company Order, Officers' Certificate, supplemental indenture or Board Resolution, such terms and conditions of said Securities as are specified in such Company Order, Officers' Certificate, supplemental indenture or Board Resolution.

ARTICLE FOUR

SATISFACTION AND DISCHARGE

SECTION 401. Satisfaction and Discharge of Securities of any Series.

(a) The Company shall be deemed to have satisfied and discharged the entire indebtedness on all the Securities of any particular series and, so long as no Event of Default shall be continuing, the Trustee for the Securities of such series, upon Company Request and at the expense of the Company, shall execute proper instruments acknowledging satisfaction and discharge of such indebtedness, when:

(1) either

(A) all Securities of such series theretofore authenticated and delivered (other than (i) Securities of such series which have been destroyed, lost or stolen and which have been replaced or paid as provided in Section 306 and (ii) Securities of such series for whose payment money has theretofore been deposited in trust or segregated and held in trust by the Company and thereafter repaid to the Company or discharged from such trust, as provided in Section 1003) have been delivered to the Trustee for cancellation; or

(B) all Outstanding Securities of such series not described in subclause (A) above and not theretofore delivered to the Trustee for cancellation

(i) have become due and payable, or

(ii) will become due and payable at their Stated Maturity within one year, or

(iii) are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Company,

and the Company, in the case of (i), (ii) or (iii) above, has deposited or caused to be deposited with the Trustee as trust funds in trust for the purpose an amount sufficient to pay and discharge the entire indebtedness on all such Outstanding Securities, for principal (and premium, if any) and interest, if any, to the date of such deposit (in the case of Securities which have become due and payable) or to the Stated Maturity or Redemption Date, as the case may be;

(2) the Company has paid or caused to be paid all other sums payable hereunder by the Company with respect to Securities of such series; and

(3) the Company has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent herein provided for relating to the satisfaction and discharge of the entire indebtedness on all Securities of such series have been complied with.

(b) Upon the satisfaction of the conditions set forth in this Section 401 with respect to all the Securities of any series, the terms and conditions of such series, including the terms and conditions with respect thereto set forth in this Indenture, shall no longer be binding upon, or applicable to, the Company, and the Holders or the Securities of such series shall look for payment only to the funds deposited with the Trustee pursuant to Section 401(a)(1)(B); provided, however, that in no event shall the Company be discharged from any obligations under Sections 305, 306 (except that Securities of such series issued upon registration of transfer or exchange or in lieu of mutilated, destroyed, lost or stolen Securities shall not be obligations of the Company), 607, 611, 701 or 1002; and provided, further, that in the event a petition for relief under Title 11 of the United States Code or a successor statute is filed and not discharged with respect to the Company within 91 days after the deposit pursuant to Section 401(a)(1)(B), the entire indebtedness on all Securities of such series shall not be discharged, and in such event the Trustee shall return such deposited funds as it is then holding to the Company upon Company Request.

SECTION 402. Application of Trust Money.

Subject to the provisions of the last paragraph of Section 1003, all money deposited with the Trustee pursuant to Section 401 shall be held in trust and applied by it, in accordance with the provisions of the Securities and this Indenture, to the payment, either directly or through any Paying Agent (including the Company acting as its own Paying Agent) as the Trustee may determine, to the Persons entitled thereto, of the principal (and premium, if any) and interest, if any, for whose payment such money has been deposited with the Trustee; but such money need not be segregated from other funds except to the extent otherwise required by law.

ARTICLE FIVE

REMEDIES

SECTION 501. Events of Default.

"Event of Default", wherever used herein with respect to Securities of any series, means any one of the following events (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(1) default in the payment of any interest upon any Security of that series when it becomes due and payable, and continuance of such default for a period of 30 days; or

(2) default in the payment of the principal of (or premium, if any, on) any Security of that series at its Maturity; or

(3) default in the deposit of any sinking fund payment, when and as due by the terms of a Security of that series; or

(4) default in the performance, or breach, of any covenant or warranty of the Company in this Indenture (other than a covenant or warranty a default in whose performance or whose breach is elsewhere in this Section specifically dealt with or which has expressly been included in this Indenture solely for the benefit of a series of Securities other than that series), and continuance of such default or breach for a period of 60 days after there has been given, by registered or certified mail, to the Company by the Trustee or to the Company and the Trustee by the Holders of at least 25 % in principal amount of the Outstanding Securities of that series a written notice specifying such default or breach and requiring it to be remedied and stating that such notice is a "Notice of Default" hereunder; or

(5) a default under or the acceleration of the maturity date of any bond, debenture, note or other evidence of indebtedness of the Company or any Restricted Subsidiary (other then the Securities of that series) or a default under any indenture or other instrument under which any such evidence of indebtedness has been issued or by which it is governed and the expiration of the applicable period of grace, if any, specified in such evidence of indebtedness, indenture or other instrument, if the aggregate amount of indebtedness with respect to which such default or acceleration has occurred exceeds $1.0 million; provided, however, that, if such default or acceleration under such evidence of indebtedness, indenture or other instrument shall be cured by the Company, or be waived by the holders of such indebtedness, in each case as may be permitted by such evidence of indebtedness, indenture or other instrument, then the Event of Default hereunder by reason of such default shall be deemed likewise to have been thereupon cured or waived;

(6) the entry by a court having jurisdiction in the premises of (A) a decree or order for relief in respect of the Company in an involuntary case or proceeding under any applicable Federal or State bankruptcy, insolvency, reorganization or other similar law or (B) a decree or order adjudging the Company a bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Company under any applicable Federal or State law, or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Company or of any substantial part of its property, or ordering the winding up or liquidation of its affairs, and the continuance of any such decree or order for relief or any such other decree or order unstayed and in effect for a period of 60 consecutive days; or

(7) the commencement by the Company of a voluntary case or proceeding under any applicable Federal or State bankruptcy, insolvency, reorganization or other similar law or of any other case or proceeding to be adjudicated a bankrupt or insolvent, or the consent by it to the entry of a decree or order for relief in respect of the Company in an involuntary case or proceeding under any applicable Federal or State bankruptcy, insolvency, reorganization or other similar law or to the commencement of any bankruptcy or insolvency case or proceeding against it, or the filing by it of a petition or answer or consent seeking reorganization or relief under any applicable Federal or State law, or the consent by it to the filing of such petition or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator or similar official of the Company or of any substantial part of its property, or the making by it of an assignment for the benefit of creditors, or the admission by it in writing of its inability to pay its debts generally as they become due, or the taking of corporate action by the Company in furtherance of any such action; or

(8) any other Event of Default provided with respect to Securities of that series.

SECTION 502. Acceleration of Maturity; Rescission and Annulment.

If an Event of Default with respect to Securities of any series at the time Outstanding occurs and is continuing, then in every such case the Trustee or the Holders of not less than 25% in principal amount of the Outstanding Securities of that series may declare the principal amount (or, if any of the Securities of that series are Original Issue Discount Securities, such portion of the principal amount of such Securities as may be specified in the terms thereof) of all of the Securities of that series to be due and payable immediately, by a notice in writing to the Company (and to the Trustee if given by Holders), and upon any such declaration such principal amount (or specified amount), plus any interest accrued on such Securities to the date of declaration, shall become immediately due and payable.

Upon payment (i) of (A) such principal amount and (B) such interest and (ii) of interest on any overdue principal and overdue interest (in each case to the extent that the payment of such interest shall be legally enforceable), all of the Company's obligations in respect of the payment of the principal of and interest on such Securities shall terminate.

At any time after such a declaration of acceleration with respect to Securities of any series has been made and before a judgment or decree for payment of the money due has been obtained by the Trustee as hereinafter in this Article provided, the Holders of a majority in principal amount of the Outstanding Securities of that series, by written notice to the Company and the Trustee, may rescind and annul such declaration and its consequences if:

(1) the Company has paid or deposited with the Trustee a sum sufficient to pay

(A) all overdue interest on all Securities of that series,

(B) the principal of (and premium, if any, on) any Securities of that series which have become due otherwise than by such declaration of acceleration and interest thereon at the rate or rates prescribed therefor in such Securities,

(C) to the extent that payment of such interest is lawful, interest upon overdue interest at the rate or rates prescribed therefor in such Securities, and

(D) all sums paid or advanced by the Trustee hereunder and the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel;

and

(2) all Events of Default with respect to Securities of that series, other than the non-payment of the principal of Securities of that series which have become due solely by such declaration of acceleration, have been cured or waived as provided in Section 513.

No such rescission shall affect any subsequent default or impair any right consequent thereon.

SECTION 503. Collection of Indebtedness and Suits for Enforcement by Trustee.

The Company covenants that if

(1) default is made in the payment of any interest on any Security when such interest becomes due and payable and such default continues for a period of 30 days, or

(2) default is made in the payment of the principal of (or premium, if any, on) any Security at the Maturity thereof,

the Company will, upon demand of the Trustee, pay to it, for the benefit of the Holder of such Security, the whole amount then due and payable on such Security for principal (and premium, if any) and interest, if any, and, to the extent that payment of such interest shall be legally enforceable, interest on any overdue principal (and premium, if any) and on any overdue interest, at the rate or rates prescribed therefor in such Security, and, in addition thereto, such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel.

If the Company fails to pay such amounts forthwith upon such demand, the Trustee, in its own name and as trustee of an express trust, may institute a judicial proceeding for the collection of the sums so due and unpaid, may prosecute such proceeding to judgment or final decree and may enforce the same against the Company or any other obligor upon such Security and collect the moneys adjudged or decreed to be payable in the manner provided by law out of the property of the Company or any other obligor upon such Security, wherever situated.

If an Event of Default with respect to Securities of any series occurs and is continuing, the Trustee may in its discretion proceed to protect and enforce its rights and the rights of the Holders of Securities of such series by such appropriate judicial proceedings as the Trustee shall deem most effectual to protect and enforce any such rights, whether for the specific enforcement of any covenant or agreement in this Indenture or in aid of the exercise of any power granted herein, or to enforce any other proper remedy.

SECTION 504. Trustee May File Proofs of Claim.

In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to the Company or any other obligor upon the Securities or the property of the Company or of such other obligor or their creditors, the Trustee (irrespective of whether the principal of the Securities shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Trustee shall have made any demand on the Company for the payment of overdue principal or interest) shall be entitled and empowered, by intervention in such proceeding or otherwise,

(i) to file and prove a claim for the whole amount of principal (and premium, if any), and interest, if any, owing and unpaid in respect of the Securities and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel) and of the Holders allowed in such judicial proceeding, and

(ii) to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Holder to make such payments to the Trustee and, in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 607.

Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Securities or the rights of any Holder thereof or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

SECTION 505. Trustee May Enforce Claims Without Possession of Securities.

All rights of action and claims under this Indenture or the Securities may be prosecuted and enforced by the Trustee without the possession of any of the Securities or the production

thereof in any proceeding relating thereto, and any such proceeding instituted by the Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment shall, after provision for the payment of the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, be for the ratable benefit of the Holders of the Securities in respect of which such judgment has been recovered.

SECTION 506. Application of Money Collected.

Any money collected by the Trustee pursuant to this Article shall be applied in the following order, at the date or dates fixed by the Trustee and, in the case of the distribution of such money on account of principal (or premium, if any) or interest, if any, upon presentation of the Securities and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:

FIRST: To the payment of all amounts due the Trustee under Section 607;

SECOND: To the payment of the amounts then due and unpaid for principal of (and premium, if any) and interest, if any, on the Securities in respect of which or for the benefit of which such money has been collected, ratably, without preference or priority of any kind, according to the amounts due and payable on such Securities for principal (and premium, if any) and interest, if any, respectively; and

THIRD: The balance, to the Person or Persons lawfully entitled thereto, or as a court of competent jurisdiction may direct.

SECTION 507. Limitation on Suits.

No Holder of any Security of any series shall have any right to institute any proceeding, judicial or otherwise, with respect to this Indenture, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless:

(1) such Holder has previously given written notice to the Trustee of a continuing Event of Default with respect to the Securities of that series;

(2) the Holders of not less than 25% in principal amount of the Outstanding Securities of that series shall have made written request to the Trustee to institute proceedings in respect of such Event of Default in its own name as Trustee hereunder;

(3) such Holder or Holders have offered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request;

(4) the Trustee for 60 days after its receipt of such notice, request and offer of indemnity has failed to institute any such proceeding; and

(5) no direction inconsistent with such written request has been given to the Trustee during such 60-day period by the Holders of a majority in principal amount of the Outstanding Securities of that series, it being understood and intended that no one or more of such Holders shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Indenture to affect, disturb or prejudice the rights of any other of such Holders, or to obtain or to seek to obtain priority or preference over any other of such Holders or to enforce any right under this Indenture, except in the manner herein provided and for the equal and ratable benefit of all such Holders.

SECTION 508. Unconditional Right of Holders to Receive Principal, Premium and Interest.

Notwithstanding any other provision in this Indenture, the Holder of any Security shall have the right, which is absolute and unconditional, to receive payment of the principal of (and premium, if any) and (subject to Section 307) interest, if any, on such Security on the Stated Maturity or Maturities expressed in such Security (or, in the case of redemption, on the Redemption Date or, in the case of repayment at the option of the Holder, on the Repayment Date) and to institute suit for the enforcement of any such payment, and such rights shall not be impaired without the consent of such Holder.

SECTION 509. Restoration of Rights and Remedies.

If the Trustee or any Holder has instituted any proceeding to enforce any right or remedy under this Indenture and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Trustee or to such Holder, then and in every such case, subject to any determination in such proceeding, the Company, the Trustee and the Holders shall be restored severally and respectively to their former positions hereunder and thereafter all rights and remedies of the Trustee and the Holders shall continue as though no such proceeding had been instituted.

SECTION 510. Rights and Remedies Cumulative.

Except as otherwise provided with respect to the replacement or payment of mutilated, destroyed, lost or stolen Securities in the last paragraph of Section 306, no right or remedy herein conferred upon or reserved to the Trustee or to the Holders is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

SECTION 511. Delay or Omission Not Waiver.

No delay or omission of the Trustee or of any Holder of any Securities to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Article or by law to the Trustee or to the Holders may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the Holders, as the case may be.

SECTION 512. Control by Holders.

The Holders of a majority in principal amount of the Outstanding Securities of any series shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee, with respect to the Securities of such series, provided that

(1) such direction shall not be in conflict with any rule of law or with this Indenture, expose the Trustee to personal liability or be unduly prejudicial to Holders not joining therein, and

(2) the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction.

SECTION 513. Waiver of Past Defaults.

The Holders of not less than a majority in principal amount of the Outstanding Securities of any series may on behalf of the Holders of all the Securities of such series waive any past default hereunder with respect to such series and its consequences, except a default

(1) in the payment of the principal of (or premium, if any) or interest, if any, on any Security of such series, or

(2) in respect of a covenant or provision hereof which under Article Nine cannot be modified or amended without the consent of the Holder of each Outstanding Security of such series affected.

Upon any such waiver, such default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured, for every purpose of this Indenture, but no such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

SECTION 514. Undertaking for Costs.

All parties to this Indenture agree, and each Holder of any Security by his acceptance thereof shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Trustee for any action taken, suffered or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this Section shall not apply to any suit instituted by the Trustee, to any suit instituted by any Holder, or group of Holders, holding in the aggregate more than 10% in principal amount of the Outstanding Securities of any series, or to any suit instituted by any Holder for the enforcement of the payment of the principal of (or premium, if any) or interest, if any, on any Security on or after the Stated Maturity or Maturities expressed in such Security (or, in the case of redemption, on or after the Redemption Date or, in the case of repayment at the option of the Holder, on or after the Repayment Date).

SECTION 515. Waiver of Stay or Extension Laws.

The Company covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law wherever enacted, now or at any time hereafter in force, which may affect the covenants or the performance of this Indenture; and the Company (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law and covenants that it will not hinder, delay or impede the execution of any power herein granted to the Trustee, but will suffer and permit the execution of every such power as though no such law had been enacted.

SECTION 516. Record Date for Action by Holders.

The Company may set a record date for purposes of determining the identity of Holders of Securities entitled to vote or consent to any action by vote or consent authorized or permitted by Section 512 or 513 hereof. Such record date shall be the later of 30 days prior to the first solicitation of such consent or the date of the most recent list of Holders furnished to the Trustee pursuant to Section 701 hereof prior to such solicitation.

ARTICLE SIX

THE TRUSTEE

SECTION 601. Certain Duties and Responsibilities.

(a) Except during the continuance of an Event of Default,

(1) the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(2) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; but in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Indenture.

(b) In case an Event of Default with respect to any series of Securities has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

(c) No provision of this Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that:

(1) this Subsection shall not be construed to limit the effect of Subsection (a) of this Section;

(2) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts;

(3) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of a majority in principal amount of the Outstanding Securities of any series, determined as provided in Section 512, relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture with respect to the Securities of such series; and

(4) no provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(d) Whether or not therein expressly so provided, every provision of this Indenture relating to the conduct or affecting, the liability of or affording protection to the Trustee shall be subject to the provisions of this Section.

SECTION 602. Notice of Defaults.

Within 90 days after the occurrence of any default hereunder with respect to the Securities of any series, the Trustee shall transmit by mail to all Holders of Securities of such series, as their names and addresses appear in the Security Register, notice of such default hereunder known to the Trustee, unless such default shall have been cured or waived; provided, however, that, except in the case of a default in the payment of the principal of (or premium, if any) or interest on any Security of such series or in the payment of any sinking fund installment with respect to Securities of such series, the Trustee shall be protected in withholding such notice if and so long as the board of directors, the executive committee or a trust committee of directors or Responsible Officers of the Trustee in good faith determine that the withholding of such notice is in the interest of the Holders of Securities of such series; and provided, further, that in the case of any default of the character specified in Section 501(4) with respect to Securities of such series, no such notice to Holders shall be given until at least 30 days after the occurrence thereof. For the purpose of this Section, the term "default" means any event which is, or after notice or lapse of time or both would become, an Event of Default with respect to Securities of such series.

The Trustee shall not be deemed to have knowledge of any default or Event of Default except (i) an Event of Default described in Section 501(1), (2) or (3) so long as the Trustee is Paying Agent for the Securities or (ii) any default or Event of Default of which the Trustee shall have received written notification or a Responsible Officer charged with the administration of this Indenture shall have obtained actual knowledge, and such notification shall not be deemed to include receipt of information obtained in any report or other documents furnished under Section 704(1) or (2) of this Indenture, which reports and documents the Trustee shall have no duty to examine.

SECTION 603. Certain Rights of Trustee.

Subject to the provision of Section 601:

(a) the Trustee may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties;

(b) any request or direction of the Company mentioned herein shall be sufficiently evidenced by a Company Request or Company Order or as otherwise expressly provided herein and any resolution of the Board of Directors may be sufficiently evidenced by a Board Resolution;

(c) whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any

action hereunder, the Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon an Officers' Certificate;

(d) the Trustee may consult with counsel and the advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon;

(e) the Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Holders pursuant to this Indenture, unless such Holders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction;

(f) the Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Company, personally or by agent or attorney; and

(g) the Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder.

SECTION 604. Not Responsible for Recitals or Issuance of Securities.

The recitals contained herein and in the Securities, except the Trustee's certificates of authentication, shall be taken as the statements of the Company, and the Trustee or any Authenticating Agent assumes no responsibility for their correctness. The Trustee makes no representations as to the validity or sufficiency of this Indenture or of the Securities. The Trustee or any Authenticating Agent shall not be accountable for the use or application by the Company of Securities or the proceeds thereof.

SECTION 605. May Hold Securities.

The Trustee, any Authenticating Agent, any Paying Agent, any Security Registrar or any other agent of the Company, in its individual or any other capacity, may become the owner or pledgee of Securities and, subject to Sections 608 and 613, may otherwise deal with the Company with the same rights it would have if it were not Trustee, Authenticating Agent, Paying Agent, Security Registrar or such other agent.

SECTION 606. Money Held in Trust.

Money held by the Trustee in trust hereunder need not be segregated from other funds except to the extent required by law. The Trustee shall be under no liability for interest on any money received by it hereunder except as otherwise agreed with the Company.

SECTION 607. Compensation and Reimbursement.

The Company agrees:

(1) to pay to the Trustee from time to time reasonable compensation for all services rendered by it hereunder (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust);

(2) except as otherwise expressly provided herein, to reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in accordance with any provision of this Indenture (including the reasonable compensation and the expenses and disbursements of its agents and counsel), except any such expense, disbursement or advance as may be attributable to its negligence or bad faith; and

(3) to indemnify the Trustee and its officers, directors, employees and agents (the Trustee and its officers, directors, employees and agents referred to in this Section collectively as the "Indemnified Parties" and individually as an "Indemnified Party") for, and to hold each Indemnified Party harmless against, any loss, liability or expense incurred without negligence or bad faith on its part, arising out of or in connection with the acceptance or administration by the Trustee of the trust or trusts hereunder, including the costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder. As security for the performance of the obligations of the Company under this Section, the Trustee shall have a lien prior to the Securities upon all property and funds held or collected by the Trustee, as such, except funds held in trust for the payment of principal of (and premium, if any) or interest on Securities.

SECTION 608. Persons Ineligible for Appointment as Trustee.

Neither the Company nor any other Person directly or indirectly controlling, controlled by or under common control with the Company shall serve as Trustee.

SECTION 609. Disqualification; Conflicting Interests.

(a) If the Trustee has or shall acquire any conflicting interest, as defined in this Section, with respect to the Securities of any series, then within 90 days after ascertaining that it has such conflicting interest, and if the default (as defined in

Subsection (b) of this Section) to which such conflicting interest relates has not been cured or duly waived or otherwise eliminated before the end of such 90-day period, it shall either eliminate such conflicting interest or, except as otherwise provided in this Section 609, resign with respect to the Securities of that series in the manner and with the effect hereinafter specified in this Article, and the Company shall take prompt steps to have a successor appointed in the manner provided in this Article Six.

(b) In the event that the Trustee shall fail to comply with the provisions of Subsection (a) of this Section with respect to the Securities of any series, the Trustee shall, within 10 days after the expiration of such 90-day period, transmit by mail to all Holders of Securities of that series, as their names and addresses appear in the Security Register, notice of such failure in the manner and to the extent provided in Subsection (a) of Section 703 hereof.

(c) For the purposes of this Section, the Trustee shall be deemed to have a conflicting interest with respect to the Securities of any series if such Securities are in default (as defined in Subsection (b) of this Section, but exclusive of any period of grace or requirement of notice) and:

(1) the Trustee is trustee under this Indenture with respect to the Outstanding Securities of any series other than that series or is trustee under another indenture under which any other securities, or certificates of interest or participation in any other securities, of the Company are outstanding, unless such other indenture is a collateral trust indenture under which the only collateral consists of Securities issued under this Indenture, provided that there shall be excluded from the operation of this paragraph this Indenture with respect to the Securities of any series other than that series or any indenture or indentures under which other securities, or certificates of interest or participation in other securities, of the Company are outstanding, if

(i) this Indenture and such other indenture or indentures (and all series of Securities issuable thereunder) are wholly unsecured and rank equally and such other indenture or indentures (and such series) are hereafter qualified under the Trust Indenture Act, unless the Commission shall have found and declared by order pursuant to Section 305(b) or Section 307(c) of the Trust Indenture Act that differences exist between the provisions of this Indenture with respect to Securities of that series and one or more other series or the provisions of such other indenture or indentures which are so likely to involve a material conflict of interest as to make it necessary in the public interest or for the protection of investors to disqualify the Trustee from acting as such under this Indenture with respect to the Securities of that series and such other series or under such other indenture or indentures, or

(ii) the Company shall have sustained the burden of proving, on application to the Commission and after opportunity for hearing thereon, that trusteeship under this Indenture with respect to the Securities of that series and such other series or such other indenture or indentures is not so likely to involve a material conflict of interest as to make it necessary in the public interest or for the protection of investors to disqualify the Trustee from acting as such under this Indenture with respect to the Securities of that series and such other series or under such other indenture or indentures;

(2) the Trustee or any of its directors or executive officers is an underwriter for the Company;

(3) the Trustee directly or indirectly controls or is directly or indirectly controlled by or is under direct or indirect common control with an underwriter for the Company;

(4) the Trustee or any of its directors or executive officers is a director, officer, partner, employee, appointee or representative of the Company, or of an underwriter (other than the Trustee itself) for the Company who is currently engaged in the business of underwriting, except that: (i) one individual may be a director or an executive officer, or both, of the Trustee and a director or an executive officer, or both, of the Company but may not be at the same time an executive officer of both the Trustee and the Company; (ii) if and so long as the number of directors of the Trustee in office is more than nine, one additional individual may be a director or an executive officer, or both, of the Trustee and a director of the Company; and (iii) the Trustee may be designated by the Company or by an underwriter for the Company to act in the capacity of transfer agent, registrar, custodian, paying agent, fiscal agent, escrow agent or depository, or in any other similar capacity, or, subject to the provisions of paragraph (1) of this Subsection, to act as trustee, whether under an indenture or otherwise;

(5) 10% or more of the voting securities of the Trustee is beneficially owned either by the Company or by any director, partner or executive officer thereof, or 20% or more of such voting securities is beneficially owned, collectively, by any two or more of such persons; or 10% or more of the voting securities of the Trustee is beneficially owned either by an underwriter for the Company or by any director, partner or executive officer thereof, or is beneficially owned, collectively, by any two or more such persons;

(6) the Trustee is the beneficial owner of, or holds as collateral security for an obligation which is in default (as hereinafter in this Subsection defined), (i) 5 % or more of the voting securities, or 10 % or more of any other class of security, of the Company not including the Securities issued under this Indenture

and securities issued under an other indenture under which the Trustee is also trustee, or (ii) 10% or more of any class of security of an underwriter for the Company;

(7) the Trustee is the beneficial owner of, or holds as collateral security for an obligation which is in default (as hereinafter in this Subsection defined), 5 % or more of the voting securities of any person who, to the knowledge of the Trustee, owns 10% or more of the voting securities of, or controls directly or indirectly or is under direct or indirect common control with, the Company;

(8) the Trustee is the beneficial owner of, or holds as collateral security for an obligation which is in default (as hereinafter in this Subsection defined), 10% or more of any class of security of any person who, to the knowledge of the Trustee, owns 50% or more of the voting securities of the Company;

(9) the Trustee owns, on the date of default upon the Securities of any series issued under this Indenture (as such term is defined hereinafter in this Section but exclusive of any period of grace or requirement of notice) or any anniversary of such default while such default upon the Securities of a series issued under this Indenture remains outstanding, in the capacity of executor, administrator, testamentary or inter vivos trustee, guardian, committee or conservator, or in any other similar capacity, an aggregate of 25 % or more of the voting securities, or of any class of security, of any person, the beneficial ownership of a specified percentage of which would have constituted a conflicting interest under paragraph (6), (7) or (8) of this Subsection. As to any such securities of which the Trustee acquired ownership through becoming executor, administrator or testamentary trustee of an estate which includes them, the provisions of the preceding sentence shall not apply, for a period of two years from the date of such acquisition, to the extent that such securities included in such estate do not exceed 25% of such voting securities or 25% of any such class of security. Promptly after the dates of any such default upon the Securities of any series issued under this Indenture and annually in each succeeding year that such Securities remain in default, the Trustee shall make a check of its holdings of such securities in any of the above-mentioned capacities as of such dates. If the Company fails to make payment in full of the principal of (or premium, if any) or interest on any of the Securities when and as the same becomes due and payable, and such failure continues for 30 days thereafter, the Trustee shall make a prompt check of its holdings of such securities in any of the above-mentioned capacities as of the date of the expiration of such 30-day period, and after such date, notwithstanding the foregoing provisions of this paragraph, all such securities so held by the Trustee, with sole or joint control over such securities vested in it, shall, but only so long as such failure shall continue, be considered as though beneficially owned by the Trustee for the purposes of paragraphs (6), (7) and (8) of this Subsection; or

(10) except under the circumstances described in paragraphs (1), (3), (4), (5) or (6) of Subsection (b) of Section 614 of this Indenture, the Trustee shall be or shall become a creditor of the Company.

The specification of percentages in paragraphs (5) to (9), inclusive, of this Subsection shall not be construed as indicating that the ownership of such percentages of the securities of a person is or is not necessary or sufficient to constitute direct or indirect control for the purposes of paragraph (3) or (7) of this Subsection.

For the purposes of paragraphs (6), (7), (8) and (9) of this Subsection only, (i) the terms "security" and "securities" shall include only such securities as are generally known as corporate securities, but shall not include any note or other evidence of indebtedness issued to evidence an obligation to repay moneys lent to a person by one or more banks, trust companies or banking firms, or any certificate of interest or participation in any such note or evidence of indebtedness; (ii) an obligation shall be deemed to be "in default" when a default in payment of principal shall have continued for 30 days or more and shall not have been cured; and (iii) the Trustee shall not be deemed to be the owner or holder of (A) any security which it holds as collateral security, as trustee or otherwise, for an obligation which is not in default as defined in clause (ii) above, or (8) any security which it holds as collateral security under this Indenture, irrespective of any default hereunder, or (C) any security which it holds as agent for collection, or as custodian, escrow agent or depository, or in any similar representative capacity.

Except in the case of a default in the payment of the principal of or interest on any Security issued under this Indenture, or in the payment of any sinking or purchase fund installment, the Trustee shall not be required to resign as provided by this Subsection if the Trustee shall have sustained the burden of proving, on application to the Commission and after opportunity for hearing thereon, that:

(i) the default under this Indenture may be cured or waived during a reasonable period and under the procedures described in such application, and

(ii) a stay of the Trustee's duty to resign will not be inconsistent with the interests of Holders of the Securities. The filing of such an application shall automatically stay the performance of the duty to resign until the Commission orders otherwise.

Any resignation of the Trustee shall become effective only upon the appointment of a successor Trustee and such successor's acceptance of such an appointment.

(d) For the purposes of this Section:

(1) The term "underwriter", when used with reference to the Company, means every person who, within one year prior to the time as of which the determination is made, has purchased from the Company with a view to, or has

offered or sold for the Company in connection with, the distribution of any security of the Company outstanding at such time, or has participated or has had a direct or indirect participation in any such undertaking, or has participated or has had a participation in the direct or indirect underwriting of any such undertaking, but such term shall not include a person whose interest was limited to a commission from an underwriter or dealer not in excess of the usual and customary distributors' or sellers' commission.

(2) The term "director" means any director of a corporation or any individual performing similar functions with respect to any organization, whether incorporated or unincorporated.

(3) The term "person" means an individual, a corporation, a partnership, an association, a joint-stock company, a trust, an unincorporated organization or a government or political subdivision thereof. As used in this paragraph, the term "trust" shall include only a trust where the interest or interests of the beneficiary or beneficiaries are evidenced by a security.

(4) The term "voting security" means any security presently entitling the owner or holder thereof to vote in the direction or management of the affairs of a person, or any security issued under or pursuant to any trust, agreement or arrangement whereby a trustee or trustees or agent or agents for the owner or holder of such security are presently entitled to vote in the direction or management of the affairs of a person.

(5) The term "Company" means any obligor upon the Securities.

(6) The term "executive officer" means the president, every vice president, every trust officer, the cashier, the secretary and the treasurer of a corporation, and any individual customarily performing similar functions with respect to any organization whether incorporated or unincorporated, but shall not include the chairman of the board of directors.

(e) The percentages of voting securities and other securities specified in this Section shall be calculated in accordance with the following provisions:

(1) A specified percentage of the voting securities of the Trustee, the Company or any other person referred to in this Section (each of whom is referred to as a "person" in this paragraph) means such amount of the outstanding voting securities of such person as entitles the holder or holders thereof to cast such specified percentage of the aggregate votes which the holders of all the outstanding voting Securities of such person are entitled to cast in the direction or management of the affairs of such person.

(2) A specified percentage of a class of securities of a person means such percentage of the aggregate amount of securities of the class outstanding.

(3) The term “amount”, when used in regard to securities, means the principal amount if relating to evidences of indebtedness, the number of shares if relating to capital shares and the number of units if relating to any other kind of security.

(4) The term “outstanding” means issued and not held by or for the account of the issuer. The following securities shall not be deemed outstanding within the meaning of this definition:

(i) securities of an issuer held in a sinking fund relating to securities of the issuer of the same class;

(ii) securities of an issuer held in a sinking fund relating to another class of securities of the issuer, if the obligation evidenced by such other class of securities is not in default as to principal or interest or otherwise;

(iii) securities pledged by the issuer thereof as security for an obligation of the issuer not in default as to principal or interest or otherwise; and

(iv) securities held in escrow if placed in escrow by the issuer thereof;

provided, however, that any voting securities of an issuer shall be deemed outstanding if any person other than the issuer is entitled to exercise the voting rights thereof.

(5) A security shall be deemed to be of the same class as another security if both securities confer upon the holder or holders thereof substantially the same rights and privileges; provided, however, that, in the case of secured evidences of indebtedness, all of which are issued under a single indenture, differences in the interest rates or maturity dates of various series thereof shall not be deemed sufficient to constitute such series different classes; and provided, further, that, in the case of unsecured evidences of indebtedness, differences in the interest rates or maturity dates thereof shall not be deemed sufficient to constitute them securities of different classes, whether or not they are issued under a single indenture.

SECTION 610. Corporate Trustee Required; Eligibility.

There shall at all times be a Trustee hereunder which shall be a corporation organized and doing business under the laws of the United States of America, any State thereof or the District of Columbia, authorized under such laws to exercise corporate trust powers, shall be subject to supervision or examination by Federal, State or District of Columbia authority and shall (i) have a combined capital and surplus of at least $50,000,000 or (ii) be a wholly owned subsidiary of a bank, trust company or bank holding company having a combined capital and surplus of at least $50,000,000 and subject to supervision or examination by Federal, State or District of Columbia authority. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of said supervising or examining authority, then for the purposes of this Section, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section, it shall resign immediately in the manner and with the effect hereinafter specified in this Article.

SECTION 611. Resignation and Removal; Appointment of Successor.

(a) No resignation or removal of the Trustee and no appointment of a successor Trustee pursuant to this Article shall become effective until the acceptance of appointment by the successor Trustee in accordance with the applicable requirements of Section 611.

(b) The Trustee may resign at any time with respect to the Securities of one or more series by giving written notice thereof to the Company. If the instrument of acceptance by a successor Trustee required by Section 611 shall not have been delivered to the Trustee within 30 days after the giving of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee with respect to the Securities of such series.

(c) The Trustee may be removed at any time with respect to the Securities of any series by Act of the Holders of a majority in principal amount of the Outstanding Securities of such series, delivered to the Trustee and to the Company.

(d) If at any time:

(1) the Trustee shall fail to comply with Section 609(a) after written request therefor by the Company or by any Holder who has been a bona fide Holder of a Security for at least six months, or

(2) the Trustee shall cease to be eligible under Section 610 and shall fail to resign after written request therefor by the Company or by any such Holder, or

(3) the Trustee shall become incapable of acting or shall be adjudged a bankrupt or insolvent or a receiver of the Trustee or of its property shall be appointed or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation, winding up or liquidation,

then, in any such case, (i) the Company, by a Board Resolution, may remove the Trustee with respect to any or all series of Securities, or (ii) subject to Section 514, unless the Trustee's duty to resign is stayed as provided in this Section 611, any Holder who has been a bona fide Holder of a Security for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee with respect to any or all series of Securities and the appointment of a successor Trustee or Trustees with respect to such series.

(e) If the Trustee shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of Trustee for any cause, with respect to the Securities of one or more series, the Company, by a Board Resolution, shall promptly appoint a successor Trustee or Trustees with respect to the Securities of that or those series (it being understood that any such successor Trustee may be appointed with respect to the Securities of one or more or all of such series and that at any time there shall be only one Trustee with respect to the Securities of any particular series) and shall comply with the applicable requirements of Section 612. If, within one year after such resignation, removal or incapability, or the occurrence of such vacancy, a successor Trustee with respect to the Securities of any series shall be appointed by Act of the Holders of a majority in principal amount of the Outstanding Securities of such series delivered to the Company and the retiring Trustee, the successor Trustee so appointed shall, forthwith upon its acceptance of such appointment in accordance with the applicable requirements of Section 612, become the successor Trustee with respect to the Securities of such series and to that extent supersede the successor Trustee appointed by the Company. If no successor Trustee with respect to the Securities of any series shall have been so appointed by the Company or the Holders and accepted appointment in the manner required by Section 612, any Holder who has been a bona fide Holder of a Security of such series for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor Trustee with respect to the Securities of such series.

(f) The Company shall give notice of each resignation and each removal of the Trustee with respect to the Securities of any series and each appointment of a successor Trustee with respect to the Securities of any series by mailing written notice of such event by first-class mail, postage prepaid, to all Holders of Securities of such series as their names and addresses appear in the Security Register. Each notice shall include the name of the successor Trustee with respect to the Securities of such series and the address of its Corporate Trust Officer.

SECTION 612. Acceptance of Appointment by Successor.

(a) In case of the appointment hereunder of a successor Trustee with respect to all Securities, every such successor Trustee so appointed shall execute, acknowledge and deliver to the Company and to the retiring Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Trustee shall become effective and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Trustee; but, on the request of the Company or the successor Trustee, such retiring Trustee shall, upon payment of its charges, execute and deliver an instrument transferring to such successor Trustee all the rights, powers and trusts of the retiring Trustee and shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder subject, nevertheless, to its lien, if any, provided for in Section 607.

(b) In case of the appointment hereunder of a successor Trustee with respect to the Securities of one or more (but not all) series, the Company, the retiring Trustee and each successor Trustee with respect to the Securities of one or more series shall execute and deliver an indenture supplemental hereto wherein each successor Trustee shall accept such appointment and which (1) shall contain such provisions as shall be necessary or desirable to transfer and confirm to, and to vest in, each successor Trustee all the rights, powers, trusts and duties of the retiring Trustee with respect to the Securities of that or those series to which the appointment of such successor Trustee relates, (2) if the retiring Trustee is not retiring with respect to all Securities, shall contain such provisions as shall be deemed necessary or desirable to confirm that all the rights, powers, trusts and duties of the retiring Trustee with respect to the Securities of that or those series as to which the retiring Trustee is not retiring shall continue to be vested in the retiring Trustee, and (3) shall add to or change any of the provisions of this Indenture as shall be necessary to provide for or facilitate the administration of the trusts hereunder by more than one Trustee, it being understood that nothing herein or in such supplemental indenture shall constitute such Trustees co-trustees of the same trust and that each such Trustee shall be trustee of a trust or trusts hereunder separate and apart from any trust or trusts hereunder administered by any other such Trustee; and upon the execution and delivery of such supplemental indenture the resignation or removal of the retiring Trustee shall become effective to the extent provided therein and each such successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Trustee with respect to the Securities of that or those series to which the appointment of each successor Trustee relates; but, on request of the Company or any successor Trustee, such retiring Trustee shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder with respect to the Securities of that or those series to which the appointment of such successor Trustee relates.

(c) Upon request of any such successor Trustee, the Company shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Trustee all such rights, powers and trusts referred to in paragraph (a) or (b) of this Section, as the case may be.

(d) No successor Trustee shall accept its appointment unless at the time of such acceptance such successor Trustee shall be qualified and eligible under this Article.

SECTION 613. Merger, Conversion, Consolidation or Succession to Business.

Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation succeeding to all or substantially all the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, provided such corporation shall be otherwise qualified and eligible under this Article, without the execution or filing of any paper or any further act on the part of any of the parties hereto. In case any Securities shall have been authenticated, but not delivered, by the Trustee then in office, any successor by merger, conversion or consolidation to such authenticating Trustee may adopt such authentication and deliver the Securities so authenticated with the same effect as if such successor Trustee had itself authenticated such Securities.

SECTION 614. Preferential Collection of Claims Against Company.

(a) Subject to Subsection (b) of this Section, if the Trustee shall be or shall become a creditor, directly or indirectly, secured or unsecured, of the Company within three months prior to a default, as defined in Subsection (c) of this Section, or subsequent to such a default, then unless and until such default shall be cured, the Trustee shall set apart and hold in a special account for the benefit of the Trustee individually, the Holders of the Securities and the holders of other indenture securities, as defined in Subsection (c) of this Section:

(1) an amount equal to any and all reductions in the amount due and owing upon any claim as such creditor in respect of principal or interest, effected after the beginning of such three months' period and valid as against the Company and its other creditors, except any such reduction resulting from the receipt or disposition of any property described in paragraph (2) of this Subsection, or from the exercise of any right of set-off which the Trustee could have exercised if a petition in bankruptcy had been filed by or against the Company upon the date of such default; and

(2) all property received by the Trustee in respect of any claims as such creditor, either as security therefor, or in satisfaction or composition thereof, or otherwise, after the beginning of such three months' period, or an amount equal to the proceeds of any such property, if disposed of, subject, however, to the rights, if any, of the Company and its other creditors in such property or such proceeds.

Nothing herein contained, however, shall affect the right of the Trustee:

(A) to retain for its own account (i) payments made on account of any such claim by any Person (other than the Company) who is liable thereon, and (ii) the proceeds of the bona fide sale of any such claim by the Trustee to a third Person, and (iii)

distributions made in cash, securities or other property in respect of claims filed against the Company in bankruptcy or receivership or in proceedings for reorganization pursuant to the Federal Bankruptcy Code or applicable State law;

(B) to realize, for its own account, upon any property held by it as security for any such claim, if such property was so held prior to the beginning of such three months' period;

(C) to realize, for its own account, but only to the extent of the claim hereinafter mentioned, upon any property held by it as security for any such claim, if such claim was created after the beginning of such three months' period and such property was received as security therefor simultaneously with the creation thereof, and if the Trustee shall sustain the burden of proving that at the time such property was so received the Trustee had no reasonable cause to believe that a default, as defined in Subsection (c) of this Section, would occur within three months; or

(D) to receive payment on any claim referred to in paragraph (B) or (C), against the release of any property held as security for such claim as provided in paragraph (B) or (C), as the case may be, to the extent of the fair value of such property.

For the purposes of paragraphs (B), (C) and (D), property substituted after the beginning of such three months' period for property held as security at the time of such substitution shall, to the extent of the fair value of the property released, have the same status as the property released, and, to the extent that any claim referred to in any of such paragraphs is created in renewal of or in substitution for or for the purpose of repaying or refunding any pre-existing claim of the Trustee as such creditor, such claim shall have the same status as such pre-existing claim.

If the Trustee shall be required to account, the funds and property held in such special account and the proceeds thereof shall be apportioned among the Trustee, the Holders and the holders of other indenture securities in such manner that the Trustee, the Holders and the holders of other indenture securities realize, as a result of payments from such special account and payments of dividends on claims filed against the Company in bankruptcy or receivership or in proceedings for reorganization pursuant to the Federal Bankruptcy Code or applicable State law, the same percentage of their respective claims, figured before crediting to the claim of the Trustee anything on account of the receipt by it from the Company of the funds and property in such special account and before crediting to the respective claims of the Trustee and the Holders and the holders of other indenture securities dividends on claims filed against the Company in bankruptcy or receivership or in proceedings for reorganization pursuant to the Federal Bankruptcy Code or applicable State law, but after crediting thereon receipts on account of the indebtedness represented by their respective claims from all sources other than from such dividends and from the funds and property so held in such special account. As used in this paragraph, with respect to any claim, the term "dividends" shall include any distribution with respect to such claim, in bankruptcy or receivership or proceedings for reorganization pursuant

to the Federal Bankruptcy Code or applicable State law, whether such distribution is made in cash, securities or other property, but shall not include any such distribution with respect to the secured portion, if any, of such claim. The court in which such bankruptcy, receivership or proceedings for reorganization is pending shall have jurisdiction (i) to apportion among the Trustee, the Holders and the holders of other indenture securities, in accordance with the provisions of this paragraph, the funds and property held in such special account and proceeds thereof, or (ii) in lieu of such apportionment, in whole or in part, to give to the provisions of this paragraph due consideration in determining the fairness of the distributions to be made to the Trustee and the Holders and the holders of other indenture securities with respect to their respective claims, in which event it shall not be necessary to liquidate or to appraise the value of any securities or other property held in such special account or as security for any such claim, or to make a specific allocation of such distributions as between the secured and unsecured portions of such claims, or otherwise to apply the provisions of this paragraph as a mathematical formula.

Any Trustee which has resigned or been removed after the beginning of such three months' period shall be subject to the provisions of this Subsection as though such resignation or removal had not occurred. If any Trustee has resigned or been removed prior to the beginning of such three months' period, it shall be subject to the provision of this Subsection if and only if the following conditions exist:

(i) the receipt of property or reduction of claim, which would have given rise to the obligation to account, if such Trustee had continued as Trustee, occurred after the beginning of such three months' period; and

(ii) such receipt of property or reduction of claim occurred within three months after such resignation or removal.

In any case commenced under the Bankruptcy Act of July 1, 1898 or any amendment thereto enacted prior to November 6, 1978, all references to periods of three months shall be deemed to be references to periods of four months.

(b) There shall be excluded from the operation of Subsection (a) of this Section a creditor relationship arising from:

(1) the ownership or acquisition of securities issued under any indenture, or any security or securities having a maturity of one year or more at the time of acquisition by the Trustee;

(2) advances authorized by a receivership or bankruptcy court of competent jurisdiction or by this Indenture, for the purpose of preserving any property which shall at any time be subject to the lien of this Indenture or of discharging tax liens or other prior liens or encumbrances thereon, if notice of such advances and of the circumstances

surrounding the making thereof is given to the Holders at the time and in the manner provided in this Indenture;

(3) disbursements made in the ordinary course of business in the capacity of trustee under an indenture, transfer agent, registrar, custodian, paying agent, fiscal agent or depositary, or other similar capacity;

(4) an indebtedness created as a result of services rendered or premises rented; or an indebtedness created as a result of goods or securities sold in a cash transaction, as defined in Subsection (c) of this Section;

(5) the ownership of stock or of other securities of a corporation organized under the provisions of Section 25(a) of the Federal Reserve Act, as amended, which is directly or indirectly a creditor of the Company; and

(6) the acquisition, ownership, acceptance or negotiation of any drafts, bills of exchange, acceptances or obligations which fall within the classification of self-liquidating paper, as defined in Subsection (c) of this Section.

(c) For the purposes of this Section only:

(1) the term “default” means any failure to make payment in full of the principal of or interest on any of the Securities or upon the other indenture securities when and as such principal or interest becomes due and payable;

(2) the term “other indenture securities” means securities upon which the Company is an obligor outstanding under any other indenture (i) under which the Trustee is also trustee, (ii) which contains provisions substantially similar to the provisions of this Section, and (iii) under which a default exists at the time of the apportionment of the funds and property held in such special account;

(3) the term “cash transaction” means any transaction in which full payment for goods or securities sold is made within seven days after delivery of the goods or securities in currency or in checks or other orders drawn upon banks or bankers and payable upon demand;

(4) the term “self-liquidating paper” means any draft, bill of exchange, acceptance or obligation which is made, drawn, negotiated or incurred by the Company for the purpose of financing the purchase, processing, manufacturing, shipment, storage or sale of goods, wares or merchandise and which is secured by documents evidencing title to, possession of, or a lien upon, the goods, wares or merchandise or the receivables or proceeds arising from the sale of the goods, wares or merchandise previously constituting the security, provided the security is received by the Trustee simultaneously

with the creation of the creditor relationship with the Company arising from the making, drawing, negotiating or incurring of the draft, bill of exchange, acceptance or obligation;

(5) the term “Company” means any obligor upon the Securities; and

(6) the term “Federal Bankruptcy Code” means the Bankruptcy Code of 1978, as amended, or successor provisions thereto.

SECTION 615. Appointment of Authenticating Agent.

At any time when any of the Securities remain Outstanding the Trustee may appoint an Authenticating Agent or Agents with respect to one or more series of Securities which shall be authorized to act on behalf of the Trustee to authenticate Securities of such series issued upon original issue or upon exchange, registration of transfer or partial redemption thereof or pursuant to Section 306, and Securities so authenticated shall be entitled to the benefits of this Indenture and shall be valid and obligatory for all purposes as if authenticated by the Trustee hereunder. Wherever reference is made in this Indenture to the authentication and delivery of Securities by the Trustee or the Trustee’s certificate of authentication, such reference shall be deemed to include authentication and delivery on behalf of the Trustee by an Authenticating Agent and a certificate of authentication executed on behalf of the Trustee by an Authenticating Agent. Each Authenticating Agent shall be acceptable to the Company and shall at all times be a corporation organized and doing business under the laws of the United States of America, any State thereof or the District of Columbia, authorized under such laws to act as Authenticating Agent, having a combined capital and surplus of not less than $15,000,000 and subject to supervision or examination by Federal or State authority. If such Authenticating Agent publishes reports of condition at least annually, pursuant to law or to the requirements of said supervising or examining authority, then for the purposes of this Section, the combined capital and surplus of such Authenticating Agent shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time an Authenticating Agent shall cease to be eligible in accordance with the provisions of this Section, such Authenticating Agent shall resign immediately in the manner and with the effect specified in this Section.

Any corporation into which an Authenticating Agent may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which such Authenticating Agent shall be a party, or any corporation succeeding to the corporate agency or corporate trust business of an Authenticating Agent, shall continue to be an Authenticating Agent, provided such corporation shall be otherwise eligible under this Section, without the execution or filing of any paper or any further act on the part of the Trustee or the Authenticating Agent.

An Authenticating Agent may resign at any time by giving written notice thereof to the Trustee and to the Company. The Trustee may at any time terminate the agency of an Authenticating Agent by giving written notice thereof to such Authenticating Agent and to the Company. Upon receiving such a notice of resignation or upon such a termination, or in case

at any time such Authenticating Agent shall cease to be eligible in accordance with the provisions of this Section, the Trustee may appoint a successor Authenticating Agent which shall be acceptable to the Company and shall mail written notice of such appointment by first-class mail, postage prepaid, to all Holders of Securities of the series with respect to which such Authenticating Agent will serve, as their names and addresses appear in the Security Register. Any successor Authenticating Agent upon acceptance of its appointment hereunder shall become vested with all the rights, powers and duties of its predecessor hereunder, with like effect as if originally named as an Authenticating Agent. No successor Authenticating Agent shall be appointed unless eligible under the provisions of this Section.

The Trustee agrees to pay to each Authenticating Agent from time to time reasonable compensation for its services under this Section, and the Trustee shall be entitled to be reimbursed for such payments, subject to the provisions of Section 607.

If all of the Securities of a series are not to be originally issued at one time, and if the Trustee does not have an office capable of authenticating Securities upon original issuance located in a Place of Payment where the Company wishes to have Securities of such series authenticated upon original issuance, the Trustee may appoint in accordance with this Section an Authenticating Agent having an office in a Place of Payment designated by the Company with respect to such series of Securities.

If an appointment with respect to one or more series is made pursuant to this Section, the Securities of such series may have endorsed thereon, in addition to the Trustee's certificate of authentication, an alternate certificate of authentication in the following form:

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

NationsBank of Georgia,
National Association, as Trustee

By _____

as Authenticating Agent

By _____

Authorized Officer

ARTICLE SEVEN

HOLDERS LISTS AND REPORTS BY TRUSTEE AND COMPANY

SECTION 701. Company to Furnish Trustee Names and Addresses of Holders.

The Company will furnish or cause to be furnished to the Trustee

(a) semi-annually, not more than 15 days after each Regular Record Date of each series of Securities having such a Regular Record Date, a list, in such form as the Trustee may reasonably require, of the names and addresses of the Holders as of a date not more than 15 days prior to the time such list is furnished, and

(b) at such other times as the Trustee may request in writing, within 30 days after the receipt by the Company of any such request, a list of similar form and content as of a date not more than 15 days prior to the time such list is furnished; excluding from any such list names and addresses received by the Trustee in its capacity as Security Registrar.

SECTION 702. Preservation of Information; Communications to Holders.

(a) The Trustee shall preserve, in as current a form as is reasonably practicable, the names and addresses of Holders contained in the most recent list furnished to the Trustee as provided in Section 701 and the names and addresses of Holders received by the Trustee in its capacity as Security Registrar. The Trustee may destroy any list furnished to it as provided in Section 701 upon receipt of a new list so furnished.

(b) If three or more Holders (herein referred to as "applicants") apply in writing to the Trustee, and furnish to the Trustee reasonable proof that each such applicant has owned a Security for a period of at least six months preceding the date of such application, and such application states that the applicants desire to communicate with other Holders with respect to their rights under this Indenture or under the Securities and is accompanied by a copy of the form of proxy or other communication which such applicants propose to transmit, then the Trustee shall, within five business days after the receipt of such application, at its election, either

(i) afford such applicants access to the information preserved at the time by the Trustee in accordance with Section 702(a), or

(ii) inform such applicants as to the approximate number of Holders whose names and addresses appear in the information preserved at the time by the Trustee in accordance with Section 702(a), and as to the approximate cost of mailing to such Holders the form of proxy or other communication, if any, specified in such application.

If the Trustee shall elect not to afford such applicants access to such information, the Trustee shall, upon the written request of such applicants, mail to each Holder whose name and address appear in the information preserved at the time by the Trustee in accordance with Section 702(a) a copy of the form of proxy or other communication which is specified in such request, with reasonable promptness after a tender to the Trustee of the material to be mailed and of payment, or provision for the payment, of the reasonable expenses of mailing, unless within five days after such tender the Trustee shall mail to such applicants and file with the Commission, together with a copy of the material to be mailed, a written statement to the effect that, in the opinion of the Trustee, such mailing would be contrary to the best interest of the Holders or would be in violation of applicable law. Such written statement shall specify the basis of such opinion. If the Commission, after opportunity for a hearing upon the objections specified in the written statement so filed, shall enter an order refusing to sustain any of such

objections or if, after the entry of an order sustaining one or more of such objections, the Commission shall find, after notice and opportunity for hearing, that all the objections so sustained have been met and shall enter an order so declaring, the Trustee shall mail copies of such material to all such Holders with reasonable promptness after the entry of such order and the renewal of such tender; otherwise the Trustee shall be relieved of any obligation or duty to such applicants respecting their application.

(c) Every Holder of Securities, by receiving and holding the same, agrees with the Company and the Trustee that neither the Company nor the Trustee nor any agent of either of them shall be held accountable by reason of the disclosure of any such information as to the names and addresses of the Holders in accordance with Section 702(b), regardless of the source from which such information was derived, and that the Trustee shall not be held accountable by reason of mailing any material pursuant to a request made under Section 702(b).

SECTION 703. Reports by Trustee.

(a) Within 60 days after May 15 of each year commencing with the year 1995, the Trustee shall transmit by mail to all Holders, as their names and addresses appear in the Security Register, a brief report dated as of such May 15 with respect to any of the following events which may have occurred within the previous 12 months (but if no such event has occurred within such period, no report need be transmitted):

(1) any change to its eligibility under Section 610 and its qualifications under Section 609;

(2) the creation of or any material change to a relationship specified in paragraph 1 through 10 of Subsection (c) of Section 609 hereof;

(3) the character and amount of any advances (and if the Trustee elects so to state, the circumstances surrounding the making thereof) made by the Trustee (as such) which remain unpaid on the date of such report, and for the reimbursement of which it claims or may claim a lien or charge, prior to that of the Securities, on any property or funds held or collected by it as Trustee, except that the Trustee shall not be required (but may elect) to report such advances if such advances so remaining unpaid aggregate not more than 1/2 of 1 % of the principal amount of the Securities Outstanding on the date of such report;

(4) the amount, interest rate and maturity date of all other indebtedness owing by the Company (or by any other obligor on the Securities) to the Trustee in its individual capacity, on the date of such report, with a brief description of any property held as collateral security therefor, except an indebtedness based upon a creditor relationship arising in any manner described in Section 613(b)(2), (3), (4) or (6);

(5) any change to the property and funds, if any, physically in the possession of the Trustee as such on the date of such report;

(6) any additional issue of Securities which the Trustee has not previously reported; and

(7) any action taken by the Trustee in the performance of its duties hereunder which it has not previously reported and which in its opinion materially affects the Securities, except action in respect of a default, notice of which has been or is to be withheld by the Trustee in accordance with Section 602.

(b) The Trustee shall transmit by mail to all Holders, as their names and addresses appear in the Security Register, a brief report with respect to the character and amount of any advances (and if the Trustee elects so to state, the circumstances surrounding the making thereof) made by the Trustee (as such) since the date of the last report transmitted pursuant to Subsection (a) of this Section (or if no such report has yet been so transmitted, since the date of execution of this instrument) for the reimbursement of which it claims or may claim a lien or charge, prior to that of the Securities, on property or funds held or collected by it as Trustee and which it has not previously reported pursuant to this Subsection, except that the Trustee shall not be required (but may elect) to report such advances if such advances remaining unpaid at any time aggregate 10% or less of the principal amount of the Securities Outstanding at such time, such report to be transmitted within 90 days after such time.

(c) A copy of each such report shall, at the time of such transmission to Holders, be filed by the Trustee with each stock exchange upon which any Securities are listed, with the Commission and with the Company. The Company will notify the Trustee when any Securities are listed on any stock exchange.

SECTION 704. Reports by Company.

The Company shall:

(1) file with the Trustee, within 15 days after the Company is required to file the same with the Commission, copies of the annual reports and of the information, documents and other reports (or copies of such portions of any of the foregoing as the Commission may from time to time by rules and regulations prescribe) which the Company may be required to file with the Commission pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934; or, if the Company is not required to file information, documents or reports pursuant to either of said Sections, then it shall file with the Trustee and the Commission, in accordance with rules and regulations prescribed from time to time by the Commission, such of the supplementary and periodic information, documents and reports which may be required pursuant to Section 13 of the Securities Exchange Act of 1934 in respect of a security listed and registered on a

national securities exchange as may be prescribed from time to time in such rules and regulations;

(2) file with the Trustee and the Commission, in accordance with rules and regulations prescribed from time to time by the Commission, such additional information, documents and reports with respect to compliance by the Company with the conditions and covenants of this Indenture as may be required from time to time by such rules and regulations;

(3) transmit by mail to all Holders, as their names and addresses appear in the Security Register, within 30 days after the filing thereof with the Trustee, such summaries of any information, documents and reports required to be filed by the Company pursuant to paragraphs (1) and (2) of this Section as may be required by rules and regulations prescribed from time to time by the Commission; and

(4) furnish to the Trustee, not less often than annually, a brief certificate from the Company's principal executive officer, principal financial officer or principal accounting officer as to his or her knowledge of the Company's compliance with all conditions and covenants under the Indenture. For purposes of this paragraph, such compliance shall be determined without regard to any period of grace or requirement of notice provided under this Indenture.

ARTICLE EIGHT

CONSOLIDATION, MERGER, CONVEYANCE OR TRANSFER

SECTION 801. Company May Consolidate, Etc., Only on Certain Terms.

The Company shall not consolidate with or merge into any other corporation or convey or transfer all or substantially all of its properties and assets as an entirety to any Person unless:

(1) the corporation formed by such consolidation or into which the Company is merged or the Person which acquires by conveyance or transfer the properties and assets of the Company substantially as an entirety shall be a corporation organized and existing under the laws of the United States of America, any State thereof or the District of Columbia and shall expressly assume, by an indenture supplemental hereto, executed and delivered to the Trustee, in form satisfactory to the Trustee, the due and punctual payment of the principal of (and premium, if any) and interest on all the Securities and the performance and observance of every covenant of this Indenture on the part of the Company to be performed or observed;

(2) immediately after giving effect to such transaction, no Event of Default, and no event which, after notice or lapse of time or both, would become an Event of Default, shall have occurred and be continuing; and

(3) the Company has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such consolidation, merger, conveyance or transfer and such supplemental indenture comply with this Article and that all conditions precedent herein provided for relating to such transaction have been complied with.

Anything in this Article Eight to the contrary notwithstanding, no such consolidation, merger, conveyance or transfer shall be entered into or made by the Company with or to another corporation which has outstanding any obligations secured by a Mortgage if, as a result of such consolidation, merger, conveyance or transfer, any Principal Property of the Company or any Restricted Subsidiary would be subjected to the lien of such Mortgage and such Mortgage is not expressly excluded from the restrictions or permitted by the provisions of Section 1006 unless simultaneously therewith or prior thereto effective provision shall be made for the securing of all the Securities (together with, if the Company shall so determine, any other Debt of the Company now existing or hereafter created which is not subordinated to the Securities), equally and ratably with (or, at the option of the Company, prior to) the obligations secured by such Mortgage by a lien upon such Principal Property.

SECTION 802. Successor Corporation Substituted.

Upon any consolidation by the Company with or merger by the Company into any other corporation or any conveyance or transfer of the properties and assets of the Company substantially as an entirety in accordance with Section 801, the successor corporation formed by such consolidation or into which the Company is merged or to which such conveyance or transfer is made shall succeed to, and be substituted for, and may exercise every right and power of, the Company under this Indenture with the same effect as if such successor corporation had been named as the Company herein, and thereafter the predecessor corporation shall be relieved of all obligations and covenants under this Indenture and the Securities.

ARTICLE NINE

SUPPLEMENTAL INDENTURES

SECTION 901. Supplemental Indentures Without Consent of Holders.

Without the consent of any Holders, the Company, when authorized by a Board Resolution, and the Trustee, at any time and from time to time, may enter into one or more indentures supplemental hereto, in form satisfactory to the Trustee, for any of the following purposes:

(1) to evidence the succession of another corporation to the Company and the assumption by any such successor of the covenants of the Company herein and in the Securities; or

(2) to add to the covenants of the Company for the benefit of the Holders of all or any series of Securities (and if such covenants are to be for the benefit of less than all series of Securities, stating that such covenants are expressly being included solely for the benefit of such series) or to surrender any right or power herein conferred upon the Company; or

(3) to add any additional Events of Default; or

(4) to add to or change any of the provisions of this Indenture to such extent as shall be necessary to permit or facilitate the issuance of Securities in bearer form, registrable or not registrable as to principal, and with or without interest coupons, or to permit or facilitate the issuance of Securities in uncertificated form; or

(5) to change or eliminate any of the provisions of this Indenture, provided that any such change or elimination shall become effective only when there is no Security Outstanding of any series created prior to the execution of such supplemental indenture which is entitled to the benefit of such provision; or

(6) to secure the Securities; or

(7) to establish the form or terms of Securities of any series as permitted by Sections 201 and 301; or

(8) to evidence and provide for the acceptance of appointment hereunder by a successor Trustee with respect to the Securities of one or more series and to add to or change any of the provisions of this Indenture as shall be necessary to provide for or facilitate the administration of the trusts hereunder by more than one Trustee, pursuant to the requirements of Section 611(b); or

(9) to cure any ambiguity, to correct or supplement any provision herein which may be defective or inconsistent with any other provision herein, or to make any other provisions with respect to matters or questions arising under this Indenture; provided such other provisions shall not adversely affect the interests of the Holders of Securities of any series in any material respect.

SECTION 902. Supplemental Indentures with Consent of Holders.

With the consent of the Holders of not less than a majority in principal amount of the Outstanding Securities of each series affected by such supplemental indenture, by Act of said Holders delivered to the Company and the Trustee, the Company, when authorized by a Board

Resolution, and the Trustee may enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or of modifying in any manner the rights of the Holders of Securities of such series under this Indenture; provided, however, that no such supplemental indenture shall, without the consent of the Holder of each Outstanding Security affected thereby,

(1) change the Stated Maturity of the principal of, or any installment of principal of or interest on, any Security, or reduce the principal amount thereof or the rate of interest thereon or any premium payable upon the redemption thereof, or change any Place of Payment where, or the coin or currency in which, any Security or any premium or the interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the Stated Maturity thereof (or, in the case of redemption, on or after the Redemption Date), or

(2) reduce the percentage in principal amount of the Outstanding Securities of any series, the consent of whose Holders is required for any such supplemental indenture, or the consent of whose Holders is required for any waiver (of compliance with certain provisions of this Indenture or certain defaults hereunder and their consequences) provided for in this Indenture, or

(3) modify any of the provisions of this Section, Section 513 or Section 1008, except to increase any such percentage or to provide that certain other provisions of this Indenture cannot be modified or waived without the consent of the Holder of each Outstanding Security affected thereby, provided, however, that this clause shall not be deemed to require the consent of any Holder with respect to changes in the references to "the Trustee" and concomitant changes in this Section and Section 1008, or the deletion of this proviso, in accordance with the requirements of Section 611(b) and 901(8).

A supplemental indenture which changes or eliminates any covenant or other provision of this Indenture which has expressly been included solely for the benefit of one or more particular series of Securities, or which modifies the rights of the Holders of Securities of such series with respect to such covenant or other provision, shall be deemed not to affect the rights under this Indenture of the Holders of Securities of any other series.

It shall be necessary for any Act of Holders under this Section to approve the particular form of any proposed supplemental indenture, but it shall be sufficient if such Act shall approve the substance thereof.

SECTION 903. Execution of Supplemental Indentures.

In executing, or accepting the additional trusts created by, any supplemental indenture permitted by this Article or the modifications thereby of the trusts created by this Indenture, the Trustee shall be entitled to receive, and (subject to Section 601) shall be fully protected in

relying upon, an Opinion of Counsel stating that the execution of such supplemental indenture is authorized or permitted by this Indenture. The Trustee may, but shall not be obligated to, enter into any such supplemental indenture which affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

SECTION 904. Effect of Supplemental Indentures.

Upon the execution of any supplemental indenture under this Article, this Indenture shall be modified in accordance therewith, and such supplemental indenture shall form a part of this Indenture for all purposes; and every Holder of Securities theretofore or thereafter authenticated and delivered hereunder shall be bound thereby.

SECTION 905. Conformity with Trust Indenture Act.

Every supplemental Indenture executed pursuant to this Article shall conform to the requirements of the Trust Indenture Act as then in effect.

SECTION 906. Reference in Securities to Supplemental Indentures.

Securities of any series authenticated and delivered after the execution of any supplemental indenture pursuant to this Article may, and shall if required by the Trustee, bear a notation in form approved by the Trustee as to any matter provided for in such supplemental Indenture. If the Company shall so determine, new Securities of any series to modified as to conform, in the opinion of the Trustee and the Company, to any such supplemental indenture may be prepared and executed by the Company and authenticated and delivered by the Trustee in exchange for Outstanding Securities of such series.

ARTICLE TEN

COVENANTS

SECTION 1001.Payment of Principal, Premium and Interest.

The Company covenants and agrees for the benefit of each series of Securities that it will duly and punctually pay the principal of (and premium, if any) and interest, if any, on the Securities of that series in accordance with the terms of the Securities and this Indenture.

SECTION 1002.Maintenance of Office or Agency.

The Company will maintain in each Place of Payment for any series of Securities an office or agency where Securities of that series may be presented or surrendered for payment, where Securities of that series may be surrendered for registration of transfer or exchange and where notices and demands to or upon the Company in respect of the Securities of that series and this Indenture may be served. The Company hereby appoints Midwest Clearing Corp., 40

Broad Street, 2nd Floor, New York, New York, 10004, as its initial office or agency for each said purposes. The Company will give prompt written notice to the Trustee of the location, and any change in the location, of such office or agency. If at any time the Company shall fail to maintain any such required office or agency or shall fail to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the Corporate Trust Office of the Trustee, and the Company hereby appoints the Trustee as its agent to receive all such presentations, surrenders, notices and demands.

The Company may also from time to time designate one or more other offices or agencies where the Securities of one or more series may be presented or surrendered for any or all such purposes and may from time to time rescind such designations; provided, however, that no such designation or rescission shall in any manner relieve the Company of its obligation to maintain an office or agency in each Place of Payment for Securities of any series for such purposes. The Company will give prompt written notice to the Trustee of any such designation or rescission and of any change in the location of any such other office or agency.

SECTION 1003.Money for Securities Payments to Be Held in Trust.

If the Company shall at any time act as its own Paying Agent with respect to any series of Securities, it will, on or before each due date of the principal of (and premium, if any) or interest, if any, on any of the Securities of that series, segregate and hold in trust for the benefit of the Persons entitled thereto a sum sufficient to pay the principal (and premium, if any) or interest, if any, so becoming due until such sums shall be paid to such Persons or otherwise disposed of as herein provided and will promptly notify the Trustee of its action or failure so to act.

Whenever the Company shall have one or more Paying Agents for any series of Securities, it will, prior to each due date of the principal of (and premium, if any) or interest, if any, on any Securities of that series, deposit with a Paying Agent a sum sufficient to pay the principal (and premium, if any) or interest, if any, so becoming due, such sum to be held in trust for the benefit of the Persons entitled to such principal, premium or interest, and (unless such Paying Agent is the Trustee) the Company will promptly notify the Trustee of its action or failure so to act.

The Company will cause each Paying Agent for any series of Securities other than the Trustee to execute and deliver to the Trustee an instrument in which such Paying Agent shall agree with the Trustee, subject to the provisions of this Section, that such Paying Agent will:

(1) hold all sums held by it for the payment of the principal of (and premium, if any) or interest, if any, on Securities of that series in trust for the benefit of the Persons entitled thereto until such sums shall be paid to such Persons or otherwise disposed of as herein provided;

(2) give the Trustee notice of any default by the Company (or any other obligor upon the Securities of that series) in the making of any payment of principal (and premium, if any) or interest, if any, on the Securities of that series; and

(3) at any time during the continuance of any such default, upon the written request of the Trustee, forthwith pay to the Trustee all sums so held in trust by such Paying Agent.

The Company may at any time, for the purpose of obtaining the satisfaction and discharge of this Indenture or for any other purpose, pay, or by Company Order direct any Paying Agent to pay, to the Trustee all sums held in trust by the Company or such Paying Agent, such sums to be held by the Trustee upon the same trusts as those upon which such sums were held by the Company or such Paying Agent; and, upon such payment by any Paying Agent to the Trustee, such Paying Agent shall be released from all further liability with respect to such money.

Any money deposited with the Trustee or any Paying Agent, or then held by the Company, in trust for the payment of the principal of (and premium, if any) or interest, if any, on any Security of any series and remaining unclaimed for two years after such principal (and premium, if any) or interest, if any, has become due and payable shall be paid to the Company on Company Request, or (if then held by the Company) shall be discharged from such trust; and the Holder of such Security shall thereafter, as an unsecured general creditor, look only to the Company for payment thereof, and all liability of the Trustee or such Paying Agent with respect to such trust money, and all liability of the Company as trustee thereof, shall thereupon cease; provided, however, that the Trustee or such Paying Agent, before being required to make any such repayment, may at the expense of the Company cause to be published once, in a newspaper published in the English language, customarily published on each Business Day and of general circulation in the Borough of Manhattan, The City of New York, notice that such money remains unclaimed and that, after a date specified therein, which shall not be less than 30 days from the date of such publication, any unclaimed balance of such money then remaining will be repaid to the Company.

SECTION 1004.Corporate Existence.

Subject to Article Eight, the Company will do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence, rights (charter and statutory) and franchises; provided, however, that the Company shall not be required to preserve any such right or franchise if the Board of Directors shall determine that the preservation thereof is no longer desirable in the conduct of the business of the Company and its Subsidiaries as a whole.

SECTION 1005.Statement by Officers as to Default.

The Company will deliver to the Trustee, within 120 days after the end of each fiscal year of the Company ending after the date hereof, an Officers' Certificate, stating whether or

not to the best knowledge of the signers thereof the Company is in default in the performance and observance of any of the terms, provisions and conditions of Sections 1001 to 1004 inclusive, and Sections 1006 and 1007, and if the Company shall be in default, specifying all such defaults and the nature and status thereof of which they may have knowledge.

SECTION 1006.Restrictions on Debt.

The Company will not itself, and will not permit any Restricted Subsidiary to, incur, issue, assume or guarantee any loans, whether or not evidenced by negotiable instruments or securities, or any notes, bonds, debentures or other similar evidences of indebtedness for money borrowed (loans and notes, bonds, debentures or other similar evidences of indebtedness for money borrowed being hereinafter in this Article called "Debt"), secured by pledge of, or mortgage or other lien on, any Principal Property of the Company or any Restricted Subsidiary, or any shares of stock or Debt of any Restricted Subsidiary (pledges, mortgages and other liens being hereinafter in this Article called "Mortgage" or "Mortgages"), without effectively providing that the Securities (together with, if the Company shall so determine, any other Debt of the Company or such Restricted Subsidiary then existing or thereafter created which is not subordinate to the Securities) shall be secured equally and ratably with (or prior to) such secured Debt, so long as such secured Debt shall be so secured, and will not permit any Restricted Subsidiary to incur, issue, assume or guaranty any unsecured Debt (except for guaranties of Unsecured Debt of the Company or a Restricted Subsidiary of the Company) or to issue any Preferred Stock in each instance unless the aggregate amount of (A) all such Debt, (B) the aggregate preferential amount to which such Preferred Stock would be entitled on any involuntary distribution of assets and (C) Attributable Debt of the Company and its Restricted Subsidiaries in respect of sale and leaseback transactions (as defined in Section 1007) would not exceed 10% of Consolidated Net Tangible Assets; provided, however, that this Section 1006 shall not apply to, and there shall be excluded from Debt in any computation under this Section 1006:

(1) Debt secured by Mortgages on property of, or on any shares of stock or Debt of, any corporation, and unsecured Debt of any corporation, existing at the time such corporation becomes a Restricted Subsidiary;

(2) Debt secured by Mortgages in favor of the Company or any Restricted Subsidiary and unsecured Debt payable to the Company or any Restricted Subsidiary;

(3) Debt secured by Mortgages in favor of the United States of America, or any agency, department or other instrumentality thereof, to secure progress, advance or other payments pursuant to any contract or provision of any statute;

(4) (a) Debt secured by Mortgages on property, shares of Capital Stock or Debt existing at the time of acquisition thereof (including acquisition through merger or consolidation) or to secure the payment of all or any part of the purchase price or construction cost thereof or to secure any Debt incurred prior to, at the time of, or within

120 days after, the acquisition of such property or shares or Debt or the completion of any such construction for the purpose of financing all or any part of the purchase price or construction cost thereof, and (b) unsecured Debt incurred to finance the acquisition of any property, shares of Capital Stock or Debt (other than shares of Capital Stock or Debt of the Company) or to finance construction on property incurred prior to, at the time of, or within 120 days after the later of the acquisition of such property or the completion of construction thereon;

(5) Debt secured by Mortgages securing obligations issued by a state, territory or possession of the United States, or any political subdivision of any of the foregoing or the District of Columbia, to finance the acquisition of or construction on property, and on which the interest is not, in the opinion of tax counsel of recognized standing or in accordance with a ruling issued by the Internal Revenue Service, includible in gross income of the holder by reason of Section 103(a)(1) of the Internal Revenue Code (or any successor to such provision) as in effect at the time of the issuance of such obligations; and

(6) Any extension, renewal or replacement (or successive extensions, renewals or replacements), as a whole or in part, of any Debt referred to in the foregoing clauses (1) to (5), inclusive; provided, that (i) such extension, renewal or replacement, in the case of Debt secured by a Mortgage, shall be limited to all or a part of the same property, shares of stock or Debt that secured the Mortgage extended, renewed or replaced (plus improvements on such property), and (ii) the Debt secured by such Mortgage at such time is not increased; and provided, further, that this Section 1006 shall not apply to any issuance of Preferred Stock by a Restricted Subsidiary to the Company or another Restricted Subsidiary, provided that such Preferred Stock shall not thereafter be transferable to any Person other than the Company or a Restricted Subsidiary.

SECTION 1007.Restrictions on Sales and Leasebacks.

The Company will not itself, and will not permit any Restricted Subsidiary to, enter into any transaction after the date hereof with any bank, insurance company, lender or other investor, or to which any such bank, insurance company, lender or investor is a party, provided for the leasing by the Company or a Restricted Subsidiary of any Principal Property which has been or is to be sold or transferred by the Company or such Restricted Subsidiary to such bank, insurance company, lender or investor, or to any person to whom funds have been or are to be advanced by such bank, insurance company, lender or investor on the security of such Principal Property (herein referred to as a “sale and leaseback transaction”) unless, after giving effect thereto, the aggregate amount of all Attributable Debt with respect to such transactions plus all Debt to which Section 1006 is applicable would not exceed 10% of Consolidated Net Tangible Assets. This covenant shall not apply to, and there shall be excluded from Attributable Debt in any computation under this Section 1007, Attributable Debt with respect to any sale and leaseback transaction if:

(1) the lease in such sale and leaseback transaction is for a period, including renewal rights, of not in excess of three years, or

(2) the Company or a Restricted Subsidiary, within 180 days after the sale or transfer shall have been made by the Company or by a Restricted Subsidiary, applies an amount not less than the greater of the net proceeds of the sale of the Principal Property leased pursuant to such arrangement or the fair market value of the Principal Property so leased at the time of entering into such arrangement (as determined in any manner approved by the Board of Directors) to (a) the retirement of Funded Debt of the Company ranking on a parity with or senior to the Securities or the retirement of Funded Debt of a Restricted Subsidiary; provided, however, that the amount to be applied to the retirement of such Funded Debt of the Company or a Restricted Subsidiary shall be reduced by (x) the principal amount of any Securities (or other notes or debentures constituting such Funded Debt) delivered within such 180-day period to the Trustee or other applicable trustee for retirement and cancellation and (y) the principal amount of such Funded Debt, other than items referred to in the preceding clause (x), voluntarily retired by the Company or a Restricted Subsidiary within 180 days after such sale; and provided, further, that, notwithstanding the foregoing, no retirement referred to in this clause (a) may be effected by payment at maturity or pursuant to any mandatory sinking fund payment or any mandatory prepayment provision, or (b) the purchase of other property which will constitute a Principal Property having a fair market value, in the opinion of the Board of Directors of the Company, at least equal to the fair market value of the Principal Property leased in such sale and leaseback transaction less the amount of any Funded Debt retired pursuant to clause (a) of this subsection, or

(3) such sale and leaseback transaction is entered into prior to, at the time of, or within 180 days after the later of the acquisition of the Principal Property or the completion of construction thereon, or

(4) the lease in such sale and leaseback transaction secures or relates to obligations issued by a state territory or possession of the United States, or any political subdivision of any of the foregoing, or the District of Columbia, to finance the acquisition of or construction on property, and on which the interest is not, in the opinion of tax counsel of recognized standing or in accordance with a ruling issued by the Internal Revenue Service, includible in gross income of the holder by reason of Section 103(a)(1) of the Internal Revenue Code (or any successor to such provision) as in effect at the time of the issuance of such obligations or

(5) such sale and leaseback transaction is entered into between the Company and a Restricted Subsidiary or between Restricted Subsidiaries.

SECTION 1008. Waiver of Certain Covenants.

The Company may omit in any particular instance to comply with any term, provision or condition set forth in Sections 1006 and 1007, inclusive, with respect to the Securities of any series if before the time for such compliance the Holders of at least a majority in principal amount of the Outstanding Securities of such series shall, by Act of such Holders, either waive such compliance in such instance or generally waive compliance with such term, provision or condition, but no such waiver shall extend to or affect such term, provision or condition except to the extent so expressly waived, and, until such waiver shall become effective, the obligations of the Company and the duties of the Trustee in respect of any such term, provision or condition shall remain in full force and effect.

SECTION 1009. Calculation of Original Issue Discount; and Certain Information Concerning Tax Reporting

The Company will deliver to the Trustee, within 40 days of the date of original issuance of any series of Securities with Original Issue Discount, an Officers' Certificate, setting forth (i) the amount of the Original Issue Discount on the Securities, expressed as a U.S. dollar amount per $1,000 of principal amount at Stated Maturity, (ii) the yield to maturity for the Securities, and (iii) a table of the amount of the Original Issue Discount on the Securities, expressed as a U.S. dollar amount per $1,000 of principal amount at Stated Maturity, accrued for each day from the date of original issuance of the Securities to their Stated Maturity.

On or before December 15 of each year during which any Securities are Outstanding, the Company shall furnish to the Trustee such information as may be reasonably requested by the Trustee in order that the Trustee may prepare the information which it is required to report for such year on Internal Revenue Service Forms 1096 and 1099 pursuant to Section 6049 of the Internal Revenue Code of 1986, as amended. Such information shall include the amount of Original Issue Discount includible in income for each $1,000 of principal amount at Stated Maturity of Outstanding Securities during such year.

ARTICLE ELEVEN

REDEMPTION OF SECURITIES

SECTION 1101.Applicability of Article.

Securities of any series which are redeemable before their Stated Maturity shall be redeemable in accordance with their terms and (except as otherwise specified as contemplated by Section 301 for Securities of any series) in accordance with this Article.

SECTION 1102.Election to Redeem; Notice to Trustee.

The election of the Company to redeem any Securities shall be evidenced by a Board Resolution. In case of any redemption at the election of the Company of less than all the Securities of any series, the Company shall, at least 60 days prior to the Redemption Date fixed by the Company (unless a shorter notice shall be satisfactory to the Trustee), notify the Trustee of such Redemption Date and of the principal amount of Securities of such series to be redeemed. In the case of any redemption of Securities prior to the expiration of any restriction on such redemption provided in the terms of such Securities or elsewhere in this Indenture, the Company shall furnish the Trustee with an Officers' Certificate evidencing compliance with such restriction.

SECTION 1103.Selection By Trustee of Securities to Be Redeemed.

With the exception of Securities delivered by the Company to the Trustee in satisfaction of obligations of the Company to make mandatory sinking fund payments, if less than all the Securities of any series are to be redeemed, the particular Securities to be redeemed shall be selected not more than 60 days prior to the Redemption Date by the Trustee, from the Outstanding Securities of such series not previously called for redemption, by such method as the Trustee shall deem fair and appropriate and which may provide for the selection for redemption of portions (equal to the minimum authorized denomination for Securities of that series or any integral multiple thereof) of the principal amount of Securities of such series of a denomination larger than the minimum authorized denomination for Securities of that series.

The Trustee shall promptly notify the Company in writing of the Securities selected for redemption and, in the case of any Securities selected for partial redemption, the principal amount thereof to be redeemed.

For all purposes of this Indenture, unless the context otherwise requires, all provisions relating to the redemption of Securities shall relate, in the case of any Securities redeemed or to be redeemed only in part, to the portion of the principal amount of such Securities which has been or is to be redeemed.

SECTION 1104.Notice of Redemption.

Notice of redemption shall be given by first-class mail, postage prepaid, mailed not less than 30 nor more than 60 days prior to the Redemption Date, to each Holder of Securities to be redeemed, at his address appearing in the Security Register.

All notices of redemption shall state:

(1) the Redemption Date;

(2) the Redemption Price;

(3) if less than all the Outstanding Securities of any series are to be redeemed, the identification (and, in the case of partial redemption, the principal amounts) of the particular Securities to be redeemed;

(4) that on the Redemption Date the Redemption Price will become due and payable upon each such Security to be redeemed and, if applicable, that interest thereon will cease to accrue on and after said date;

(5) the place or places where such Securities are to be surrendered for payment of the Redemption Price; and

(6) that the redemption is for a sinking fund, if such is the case.

Notice of redemption of Securities to be redeemed at the election of the Company shall be given by the Company or, at the Company's request, by the Trustee in the name and at the expense of the Company.

SECTION 1105.Deposit of Redemption Price.

Prior to any Redemption Date, the Company shall deposit with the Trustee or with a Paying Agent (or, if the Company is acting as its own Paying Agent, segregate and hold in trust as provided in Section 1003) an amount of money sufficient to pay the Redemption Price of, and (except if the Redemption Date shall be an Interest Payment Date) accrued interest on, all the Securities which are to be redeemed on that date.

SECTION 1106.Securities Payable on Redemption Date.

Notice of redemption having been given as aforesaid, the Securities so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Company shall default in the payment of the Redemption Price and accrued interest) such Securities shall cease to bear interest. Upon surrender of any such Security for redemption in accordance with said notice, such Security shall be paid by the Company at the Redemption Price, together with accrued interest, if any, to the Redemption Date; provided, however, that installments of interest whose Stated Maturity is on or prior to the Redemption Date shall be payable to the Holders of such Securities, or one or more Predecessor Securities, registered as such at the close of business on the relevant Record Dates according to their terms and the provisions of Section 307.

If any Security called for redemption shall not be so paid upon surrender thereof for redemption, the principal (and premium, if any) shall, until paid, bear interest from the Redemption Date at the rate prescribed therefor in the Security.

SECTION 1107.Securities Redeemed in Part.

Any Security which is to be redeemed only in part shall be surrendered at a Place of Payment therefor (with, if the Company or the Trustee so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Company and the Trustee duly executed by, the Holder thereof or his attorney duly authorized in writing), and the Company shall execute, and the Trustee shall authenticate and deliver to the Holder of such Security without service charge, a new Security or Securities of the same series and of like tenor, of any authorized denomination as requested by such Holder, in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Security so surrendered, except that if a global Security is so surrendered, the Company shall execute, and the Trustee shall authenticate and deliver to the Depositary for such global Security, without service charge, a new global Security or Securities in a denomination equal to and in exchange for the unredeemed portion of the principal of the global Security so surrendered.

ARTICLE TWELVE

SINKING FUNDS

SECTION 1201.Applicability of Article.

The provisions of this Article shall be applicable to any sinking fund for the retirement of Securities of a series except as otherwise specified as contemplated by Section 301 for Securities of such series.

The minimum amount of any sinking fund payment provided for by the terms of Securities of any series is herein referred to as a "mandatory sinking fund payment", and any payment in excess of such minimum amount provided for by the terms of Securities of any series is herein referred to as an "optional sinking fund payment". If provided for by the terms of Securities of any series, the cash amount of any sinking fund payment may be subject to reduction as provided in Section 1202. Each sinking fund payment shall be applied to the redemption of Securities of any series as provided for by the terms of Securities of such series.

SECTION 1202.Satisfaction of Sinking Fund Payments with Securities.

The Company (1) may deliver Outstanding Securities of a series (other than any previously called for redemption) and (2) may apply as a credit Securities of a series which have been redeemed either at the election of the Company pursuant to the terms of such Securities or through the application of permitted optional sinking fund payments pursuant to the terms of such Securities, in each case in satisfaction of all or any part of any sinking fund payment with respect to the Securities of such series required to be made pursuant to the terms of such Securities as provided for by the terms of such series; provided that such Securities have not been previously so credited. Such Securities shall be received and credited for such purpose by

the Trustee at the Redemption Price specified in such Securities for redemption through operation of the sinking fund and the amount of such sinking fund payment shall be reduced accordingly.

SECTION 1203.Redemption of Securities for Sinking Fund.

Not less than 60 days prior to each sinking fund payment date for any series of Securities, the Company will deliver to the Trustee an Officers' Certificate specifying the amount of the next ensuing sinking fund payment for that series pursuant to the terms of that series, the portion thereof, if any, which is to be satisfied by payment of cash and the portion thereof, if any, which is to be satisfied by delivering and crediting Securities of that series pursuant to Section 1202, and will also deliver to the Trustee any Securities to be so credited which have not theretofore been so delivered. Not less than 30 days before each such sinking fund payment date the Trustee shall select the Securities to be redeemed upon such sinking fund payment date in the manner specified in Section 1103 and cause notice of the redemption thereof to be given in the name of and at the expense of the Company in the manner provided in Section 1104. Such notice having been duly given, the redemption of such Securities shall be made upon the terms and in the manner stated in Sections 1106 and 1107.

ARTICLE THIRTEEN

DEFEASANCE

SECTION 1301.Applicability of Article; Company's Option to Effect Defeasance.

If pursuant to Section 301 provision is made for either or both of (a) defeasance of the Securities of a series under Section 1302 or (b) covenant defeasance of the Securities of a series under Section 1303, then the provisions of such Section or Sections, as the case may be, together with the other provisions of this Article Thirteen, shall be applicable to the Securities of such series, and the Company may at its option by Board Resolution, at any time, with respect to the Securities of such series, elect to have either Section 1302 (if applicable) or Section 1303 (if applicable) be applied to the Outstanding Securities of such series upon compliance with the conditions set forth below in this Article Thirteen.

SECTION 1302.Defeasance and Discharge.

Upon the Company's exercise of the above option applicable to this Section, the Company shall be deemed to have been discharged from its obligations with respect to the Outstanding Securities of such series on the date the conditions set forth below are satisfied (hereinafter, "defeasance"). For this purpose, such defeasance means that the Company shall be deemed to have paid and discharged the entire indebtedness represented by the Outstanding Securities of such series and to have satisfied all its other obligations under such Securities and this Indenture insofar as such Securities are concerned (and the Trustee, at the expense of the

Company, shall execute proper instruments acknowledging the same), except for the following which shall survive until otherwise terminated or discharged hereunder: (a) the rights of Holders of Outstanding Securities of such series to receive, solely from the trust fund described in Section 1304 and as more fully set forth in such Section, payments in respect of the principal of (and premium, if any) and interest on such Securities when such payments are due, (b) the Company's obligations with respect to such Securities under Sections 304, 305, 306, 1002 and 1003, (c) the rights, powers, trusts, duties and immunities of the Trustee hereunder and (d) this Article Thirteen. Subject to compliance with this Article Thirteen, the Company may exercise its option under this Section 1302 notwithstanding the prior exercise of its option under Section 1303 with respect to the Securities of such series.

SECTION 1303. Covenant Defeasance.

Upon the Company's exercise of the above option applicable to this Section, the Company shall be released from its obligations under Sections 501(5), 1006 and 1007 with respect to the Outstanding Securities of such series on and after the date the conditions set forth below are satisfied (hereinafter, "covenant defeasance"). For this purpose, such covenant defeasance means that, with respect to the Outstanding Securities of such series, the Company may omit to comply with and shall have no liability in respect of any term, condition or limitation set forth in any such Section, whether directly or indirectly by reason of any reference elsewhere herein to any such Section or by reason of any reference in any such Section to any other provision herein or in any other document, but the remainder of this Indenture and such Securities shall be unaffected thereby.

SECTION 1304. Conditions to Defeasance.

The following shall be the conditions to application of either Section 1302 or Section 1303 to the Outstanding Securities of such series:

(1) the Company shall irrevocably have deposited or caused to be deposited with the Trustee (or another trustee satisfying the requirements of Section 609 who shall agree to comply with the provisions of this Article Thirteen applicable to it) as trust funds in trust for the purpose of making the following payments, specifically pledged as security for, and dedicated solely to, the benefit of the Holders of such Securities, (a) money in an amount, or (b) U.S. Government Obligations which through the scheduled payment of principal and interest, if any, in respect thereof in accordance with their terms will provide, not later than one day before the due date of any payment, money in an amount, or (c) a combination thereof, sufficient, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee, to pay and discharge, and which shall be applied by the Trustee (or other qualifying trustee) to pay and discharge, (i) the principal of (and premium, if any, on) and each installment of principal of (and premium, if any) and interest, if any, on the Outstanding Securities of such series on the Stated Maturity of such principal or installment of principal or interest and (ii) any mandatory sinking fund payments or

analogous payments applicable to the Outstanding Securities of such series on the day on which such payments are due and payable in accordance with the terms of this Indenture and of such Securities. For this purpose, "U.S. Government Obligations" means securities that are (x) direct obligations of the United States of America for the payment of which its full faith and credit is pledged or (y) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of America, the payment of which is unconditionally guaranteed as a full faith and credit obligation by the United States of America, which, in either case, are not callable or redeemable at the option of the issuer thereof, and shall also include a depository receipt issued by a bank (as defined in Section 3(a)(2) of the Securities Act of 1933, as amended) as custodian with respect to any such U.S. Government obligation or a specific payment of principal of or interest on any such U.S. Government Obligation held by such custodian for the account of the holder of such depository receipt, provided that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depository receipt from any amount received by the custodian in respect of the U.S. Government Obligation or the specific payment of principal of or interest on the U.S. Government Obligation evidenced by such depository receipt.

(2) No Event of Default or event which with notice or lapse of time or both would become an Event of Default with respect to the Securities of such series shall have occurred and be continuing on the date of such deposit or, insofar as Subsections 501(6) and (7) are concerned, at any time during the period ending on the 91st day after the date of such deposit or, if longer, ending on the day following the expiration of the longest preference period applicable to the Company in respect of such deposit (it being understood that this condition shall not be deemed satisfied until the expiration of such period).

(3) Such defeasance or covenant defeasance shall not cause the Trustee for the Securities of such series to have a conflicting interest as defined in Section 608 and for purposes of the Trust Indenture Act with respect to any securities of the Company.

(4) Such defeasance or covenant defeasance shall not cause any Securities of such series then listed on any registered national securities exchange under the Securities Exchange Act of 1934, as amended, to be delisted or deregistered.

(5) In the case of an election under Section 1302, the Company shall have delivered to the Trustee an Opinion of Counsel stating that (x) the Company has received from, or there has been published by, the Internal Revenue Service a ruling, or (y) since the date of this Indenture there has been a change in the applicable federal income tax law, in either case to the effect that, and based thereon such opinion shall confirm that, the Holders of the Outstanding Securities of such series will not recognize income, gain or loss for federal income tax purposes as a result of such defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such defeasance had not occurred.

(6) In the case of an election under Section 1303, the Company shall have delivered to the Trustee an Opinion of Counsel to the effect that the Holders of the Outstanding Securities of such series will not recognize income, gain or loss for federal income tax purposes as a result of such covenant defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such covenant defeasance had not occurred.

(7) Such defeasance or covenant defeasance shall be effected in compliance with any additional terms, conditions or limitations which may be imposed on the Company in connection therewith pursuant to Section 301.

(8) The Company shall have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent provided for relating to either the defeasance under Section 1302 or the covenant defeasance under Section 1303 (as the case may be) have been complied with.

SECTION 1305. Deposited Money and U.S. Government Obligations to be Held in Trust; Miscellaneous.

Subject to the provisions of the last paragraph of Section 1003, all money and U.S. Government Obligations (including the proceeds thereof) deposited with the Trustee (or other qualifying trustee — collectively, for purposes of this Section 1305, the "Trustee") pursuant to Section 1304, in respect of the Outstanding Securities of such series shall be held in trust and applied by the Trustee, in accordance with the provisions of such Securities and this Indenture, to the payment, either directly or through any Paying Agent (including the Company acting as its own Paying Agent) as the Trustee may determine, to the Holders of such Securities, of all sums due and to become due thereon in respect of principal (and premium, if any) and interest, if any, but such money need not be segregated from other funds except to the extent required by law.

The Company shall pay and indemnify the Trustee against any tax, fee or other charge imposed on or assessed against the U.S. Government Obligations deposited pursuant to Section 1304 or the principal and interest received in respect thereof other than any such tax, fee or other charge which by law is for the account of the Holders of the Outstanding Securities of such series.

Anything in this Article Thirteen to the contrary notwithstanding, the Trustee shall deliver or pay to the Company from time to time upon Company Request any money or U.S. Government obligations held by it as provided in Section 1304 which, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee, are in excess of the amount thereof which would be required to be deposited to effect an equivalent defeasance or covenant defeasance.

ARTICLE FOURTEEN

REPAYMENT OF SECURITIES AT OPTION OF HOLDERS

SECTION 1401. Applicability of Article.

Securities of any series which are repayable before their Stated Maturity at the option of the Holders shall be repaid in accordance with their terms and (except as otherwise specified as contemplated by Section 301 for Securities of any series) in accordance with this Article.

SECTION 1402. Notice of Repayment Date.

Notice of any Repayment Date with respect to Securities of any series shall, unless otherwise specified by the terms of the Securities of any series, be given by the Company not less than 45 nor more than 60 days prior to such Repayment Date to each Holder of Securities of such series in accordance with Section 106.

The notice as to Repayment Date shall state:

(1) the Repayment Date;

(2) the Repayment Price;

(3) the place or places where such Securities are to be surrendered for payment of the Repayment Price and the date by which Securities must be so surrendered in order to be repaid;

(4) a description of the procedure which a Holder must follow to exercise a repayment right; and

(5) that exercise of the option to elect repayment is irrevocable.

No failure of the Company to give the foregoing notice shall limit any Holder's right to exercise a repayment right.

SECTION 1403. Deposit of Repayment Price.

Prior to the Repayment Date, the Company shall deposit with the Trustee or with a Paying Agent (or, if the Company is acting as its own Paying Agent, segregate and hold in trust as provided in Section 1003) an amount of money sufficient to pay the Repayment Price of and (unless the Repayment Date shall be an Interest Payment Date) accrued interest, if any, on all of the Securities of such series which are to be repaid on that date.

SECTION 1404. Securities Payable on Repayment Date.

The form of option to elect repayment having been delivered as specified in the form of Security for such series, the Securities of such series so to be repaid shall, on the Repayment Date, become due and payable at the Repayment Price applicable thereto, and from and after such date (unless the Company shall default in the payment of the Repayment Price and accrued interest) such Securities shall cease to bear interest. Upon surrender of any such Security for repayment in accordance with said notice, such Security shall be paid by the Company at the Repayment Price together with accrued interest to the Repayment Date; provided, however, that installments of interest whose Stated Maturity is on or prior to such Repayment Date shall be payable to the Holders of such Securities, or one or more Predecessor Securities, registered as such at the close of business on the relevant Record Dates according to their terms and the provisions of Section 307.

If any Security shall not be paid upon surrender thereof for repayment, the principal (and premium, if any) shall, until paid, bear interest from the Repayment Date at the rate prescribed therefor in such Security.

SECTION 1405. Securities Repaid in Part.

Any Security which by its terms may be repaid in part at the option of the Holder and which is to be repaid only in part shall be surrendered at any office or agency of the Company designated for that purpose pursuant to Section 1002 (with, if the Company or the Trustee so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Company and the Trustee duly executed by, the Holder thereof or his attorney duly authorized in writing), and the Company shall execute, and the Trustee shall authenticate and deliver to the Holder of such Security without service charge, a new Security or Securities of the same series, of any authorized denomination as requested by such Holder, in aggregate principal amount equal to and in exchange for the unrepaid portion of the principal of the Security so surrendered.

ARTICLE FIFTEEN

IMMUNITY OF INCORPORATORS, STOCKHOLDERS, OFFICERS AND DIRECTORS.

SECTION 1501. Immunity of Incorporators, Stockholders, Officers and Directors.

No recourse under or upon any obligation, covenant or agreement of this Indenture, or of any Security, or for any claim based thereon or otherwise in respect thereof, shall be had against any incorporator, stockholder, officer or director, as such, past, present or future, of the Company or of any successor corporation, either directly or through the Company, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise; it being expressly understood that this Indenture and the obligations issued hereunder are solely corporate obligations, and that no personal liability whatever shall attach

to, or is or shall be incurred by, the incorporators, stockholders, officers or directors, as such, of the Company or any successor corporation, or any of them, because of the creation of the indebtedness hereby authorized, or under or by reason of the obligations, covenants or agreements contained in this Indenture or in any of the Securities or implied therefrom; and that any and all such personal liability of every name and nature, either at common law or in equity or by constitution or statute, of, and any and all such rights and claims against, every such incorporator, stockholder, officer or director, as such, because of the creation of the indebtedness hereby authorized, or under or by reason of the obligations, covenants or agreements contained in this Indenture or in any of the Securities or implied therefrom are hereby expressly waived and released as a condition of, and as a consideration for, the execution of this Indenture and the issue of such Securities.

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This instrument may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed, and their respective corporate seals to be hereunto affixed and attested, all as of the day and year first above written.

COCA-COLA BOTTLING CO.
CONSOLIDATED

By: /s/ BRENDA B. JACKSON

Brenda B. Jackson
Vice President and Treasurer

ATTEST:

/s/ PATRICIA A. GILL

Patricia A. Gill, Assistant Secretary
[Corporate Seal]

NATIONSBANK OF GEORGIA,
NATIONAL ASSOCIATION, AS TRUSTEE

By: /s/ SANDRA C. CARREKER

Vice President

ATTEST:

/s/ ELIZABETH T. TALLEY

[Corporate Seal]

Exhibit 4.3

Unless this certificate is presented by an authorized representative of the Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

COCA-COLA BOTTLING CO. CONSOLIDATED
6.85 % DEBENTURES DUE 2007
CUSIP No. 191098AB8
(Hereinafter "Securities")

$100,000,000

COCA-COLA BOTTLING CO. CONSOLIDATED, a corporation duly organized and existing under the laws of the State of Delaware (herein called the "Company", which term includes any successor corporation under the Indenture hereinafter referred to), for value received, hereby promises to pay to Cede & Co., or registered assigns, the principal sum of One Hundred Million Dollars ($100,000,000) on November 1, 2007, and to pay interest thereon from November 1,1995 or from the most recent Interest Payment Date to which interest has been paid or duly provided for, semi-annually on May 1 and November 1 in each year, commencing May 1, 1996 at the rate of 6.85% per annum, until the principal hereof is paid or made available for payment, and (to the extent that the payment of such interest shall be legally enforceable) at the rate of 6.85% per annum on any overdue principal and premium and on any overdue installment of interest. Interest payments on this Security will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in the Indenture, be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest, which shall be the April 15 or October 15 (whether or not a Business Day), as the case may be, next preceding such Interest Payment Date. Any such interest not so punctually paid or duly provided for will forthwith cease to be payable to the Holder on such Regular Record Date and may either be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be fixed by the Trustee, notice whereof shall be given to Holders of Securities of this series not less than 11 days prior to such Special Record Date, or be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Securities of this series may be listed, and upon such notice as may be required by such exchange, all as more fully provided in the Indenture.

Payment of the principal of (and premium, if any) and any such interest on this Security will be made at the office or agency of the Company maintained for that purpose in the Borough of Manhattan, The City of New York, New York, in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts; provided, however, that at the option of the Company payment of interest may be made by check mailed to the address of the Person entitled thereto as such address shall appear in the Security Register.

This Security is one of a duly authorized issue of securities of the Company, issued and to be issued in one or more series under an Indenture, dated as of July 20, 1994, as supplemented and restated by a Supplemental Indenture dated March 3, 1995 (as supplemented, herein called the "Indenture"), between the Company and NationsBank of Georgia, National Association, as Trustee (herein called the "Trustee", which term includes Citibank, N.A., which succeeded to all of the rights, powers, duties and obligations of the initial trustee under the Indenture by agreement of all parties, effective September 15, 1995, as well as any subsequent successor trustee under the Indenture), to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Company, the Trustee and the Holders of the Securities and of the terms upon which the Securities are, and are to be, authenticated and delivered. This Security is one of the series designated on the face hereof limited in aggregate principal amount to $100,000,000.

If an Event of Default with respect to Securities of this series shall occur and be continuing, the principal of the Securities of this series may be declared due and payable in the manner and with the effect provided in the Indenture.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Holders of the Securities of each series to be affected under the Indenture at any time by the Company and the Trustee with the consent of the Holders of not less than a majority in principal amount of the Securities at the time Outstanding of each series to be affected. The Indenture also contains provisions permitting the Holders of specified percentages in principal amount of the Securities of each series at the time Outstanding, on behalf of the Holders of all Securities of such series, to waive compliance by the Company with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Security shall be conclusive and binding upon such Holder and upon all future Holders of this Security and of any Security issued upon the registration of transfer hereof or in exchange here for or in lieu hereof, whether or not notation of such consent or waiver is made upon this Security.

No reference herein to the Indenture and no provision of this Security or of the Indenture shall alter or impair the right of the Holder of this Security, which is absolute and unconditional, to receive payment of the principal of (and premium, if any) and interest on this Security at the times, place and rate, and in the coin or currency, herein prescribed.

As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Security is registrable in the Security Register, upon surrender of this Security for registration of transfer at the office or agency of the Company in any place where the principal of (and premium, if any) and interest on this Security are payable, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed by the Holder hereof or his attorney duly authorized in writing, and thereupon one or more new Securities of this series and of like tenor, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees.

The Securities of this series are issuable only in registered form without coupons in denominations of $1,000 and any integral multiples of $1,000 in excess thereof. As provided in the Indenture and subject to certain limitations therein set forth, Securities of this series are

exchangeable for a like aggregate principal amount of Securities of this series and of like tenor of a different authorized denomination, as requested by the Holder surrendering the same.

No service charge shall be made for any such registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Prior to due presentment of this Security for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name this Security is registered as the owner hereof for all purposes, whether or not this Security be overdue, and neither the Company, the Trustee nor any such agent shall be affected by notice to the contrary.

All terms used in this Security which are defined in the Indenture shall have the meanings assigned to them in the Indenture.

Unless the certificate of authentication hereon has been executed by the Trustee by manual signature, this Security shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed under its corporate seal.

Dated: November 6, 1995

Certificate of Authentication:

This is one of the Securities of the series designated herein referred to in the within-mentioned Indenture.

Citibank, N.A., as Trustee

By: _____

Authorized Officer

COCA- COLA BOTTLING CO. CONSOLIDATED

By: _____

David V. Singer
Chief Financial Officer

Attest: _____

Patricia A. Gill
Assistant Secretary

[SEAL]

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

(Name and address of assignee, including zip code, must be printed or typewritten)

---

the within Debenture, and all rights there under, hereby irrevocably constituting and appointing

---

Attorney to transfer said Debenture on the books of the within Company, with full power of substitution in the premises.

Dated:_____ _____

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within or attached Debenture in every particular, without alteration or enlargement or any change whatever.

COCA-COLA BOTTLING CO. CONSOLIDATED

as Borrower

LOAN AGREEMENT

Dated as of November 20, 1995

The financial institutions identified herein
as Banks

---

and

LTCB TRUST COMPANY

as Agent

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LOAN AGREEMENT, dated as of November 20, 1995, among COCA-COLA BOTTLING CO. CONSOLIDATED, a corporation duly organized and validly existing under the laws of the State of Delaware (the "Company"); the financial institutions named herein as lenders (the "Banks"); and LTCB TRUST COMPANY, a trust company organized under the laws of the State of New York, as agent on behalf of the Banks (in such capacity, the "Agent").

WHEREAS, the Company has requested the Banks to make term loans to the Company in an aggregate principal amount up to but not exceeding $170,000,000 for the purpose of refinancing certain existing indebtedness of the Company and for other general corporate purposes of the Company;

WHEREAS, the Banks are willing to make such loans to the Company on the terms and conditions of this Agreement; and

WHEREAS, the Agent has been requested to act as agent for the Banks, and the Agent is willing to act as such agent on the terms and conditions of this Agreement,

NOW THEREFORE, in consideration of the premises and mutual covenants contained herein, the parties hereto hereby agree as follows:

Section 1. Definitions and Accounting Matters.

1.01 Certain Defined Terms. As used herein, the following terms shall have the following meanings (all terms defined in this Section 1 or in other provisions of this Agreement in the singular shall have the same meanings when used in the plural and vice versa):

"Affiliate" shall mean, as to any Person, any Subsidiary of such Person and any other Person which, directly or indirectly, controls, is controlled by, or is under direct or indirect common control with, such Person. For purposes of this definition "control" of a Person means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have corresponding meanings.

"Allied Bottle Contracts" shall mean, collectively, any contract between the Company or any of its Subsidiaries and The Coca-Cola Company providing for the Company or such Subsidiary to purchase its requirements of concentrates and syrups for Allied Products from The Coca-Cola Company and/or granting to the Company or such Subsidiary exclusive distribution rights with respect to Allied Products in the Company's or such Subsidiary's respective territories, in each case as amended or supplemented from time to time.

"Allied Products" shall mean all products of The Coca-Cola Company, other than Coca-Cola Trademark Beverages.

"Applicable Lending Office" shall mean, for any Bank, the Lending Office of such Bank (or of an affiliate of such Bank) designated on the signature pages hereof or such other office or offices of such Bank (or of an affiliate of such Bank) as such Bank may from time to time specify to the Company and the Agent in writing as the office or offices at which all or a portion of its Loan is to be made and maintained .

"Applicable Margin" shall mean 0.45%; provided that, at any time when the Senior Debt Rating of the Company with S&P shall be below BBB- and the Senior Debt Rating of the Company with Moody's shall be below Baa3 (or at any time when neither S&P nor Moody's has a Senior Debt Rating for the Company), the Applicable Margin shall be 0.55% (such change in the Applicable Margin shall not prejudice any rights that the Agent or any Bank may have with respect to any Trigger Event that may occur in connection with such rating)

"Attributable Debt" shall mean, as to any particular lease under which any Person is at the time liable, at any date as of which the amount thereof is to be determined, the total net amount of rent required to be paid by such Person under such lease during the remaining primary term thereof, discounted from the respective due date thereof to such date at a rate per annum equal to the weighted average interest rate applicable to the Loans. The weighted average interest rate applicable to the Loans shall be calculated at any time by dividing the aggregate of the annual interest payments required on the Loans (calculated as if the interest rate on the Loans then in effect were to be applied to a year of 365 days) by the aggregate principal amount of the Loans outstanding on such date. The net amount of rent required to be paid under any such lease for any such period shall be the amount of the rent payable by the lessee with respect to such period, after excluding amounts required to be paid on account of maintenance and repairs, insurance, taxes, assessments, water rates and similar charges. In the case of any lease which is terminable by the lessee upon the payment of a penalty, such net amount shall also include the amount of such penalty, but no rent shall be considered as required to be paid under such lease subsequent to the first date upon which it may be so terminated.

"Board of Directors" shall mean either the board of directors of the Company or any duly authorized committee of the board.

"Board Resolution" shall mean a copy of a resolution certified by the Secretary or an Assistant Secretary of the Company to have been duly adopted by the Board of Directors and to be in full force and effect on the date of such certification, and delivered to the Agent and the Banks.

"Bottle Contracts" shall mean, collectively, any contract between the Company or any of its Subsidiaries and The Coca-Cola Company providing for the Company or such Subsidiary to purchase its requirements of concentrates and syrups for Coca-Cola Trademark Beverages from The Coca-Cola Company and/or granting to the Company or such Subsidiary exclusive distribution rights with respect to Coca-Cola Trademark Beverages in the Company's or such Subsidiary's respective territories, in each case as amended or supplemented from time to time.

"Business Day" shall mean any day (but not a Saturday or Sunday) on which commercial banks are not authorized or required to close in New York City, and which is also a day on which dealings in Dollar deposits are carried out in the London interbank market.

"Capital Stock", as applied to the stock of any corporation, shall mean the capital stock of every class whether now or hereafter authorized, regardless of whether such capital stock shall be limited to a fixed sum or percentage with respect to the rights of the holders thereof to participate in dividends and in the distribution of assets upon the voluntary or involuntary liquidation, dissolution or winding up of such corporation.

"Coca-Cola Trademark Beverages" shall mean all products identified as such in the Company's Form 10-K filed with the SEC for the fiscal year of the Company ended January 1, 1995 or in any other Form 10-K filed for any subsequent fiscal year, and any other beverage products produced or marketed by The Coca-Cola Company.

"Code" shall mean the Internal Revenue Code of 1986, as amended.

"Commitment" shall mean, with respect to each Bank, the obligation of such Bank to make a Loan to the Company on each borrowing date pursuant to Section 2.01 hereof, all such Loans to be in an aggregate principal amount up to but not exceeding the amount set forth opposite such Bank's name on the signature pages hereof, on the terms and conditions of this Agreement.

"Commitment Termination Date" shall mean December 29, 1995.

"Common Stock" shall mean any and all Capital Stock of the Company that is not Preferred Stock, being on the date hereof designated "Common Stock", "Class B Common Stock" and "Class C Common Stock".

"Consolidated Net Tangible Assets" shall mean the aggregate amount of assets of the Company and its consolidated Subsidiaries (less applicable reserves and other properly deductible items) after deducting therefrom (i) all current liabilities, and (ii) all goodwill, trade names, trademarks, patents, unamortized debt discount and expense and other like intangibles, all as set forth on the most recent balance sheet of the Company and its consolidated Subsidiaries and computed in accordance with generally accepted accounting principles. For purposes of this definition, any leasehold interest of the Company or any Restricted Subsidiary shall be deemed to be a tangible asset if the rental obligations thereunder are included in Funded Debt.

"Corporation" includes corporations, associations, companies and business trusts.

"Debt" shall mean, with respect to any Person, all indebtedness and other obligations of such Person of the type described in clauses (a) and (b) of the definition of "Indebtedness" in this Section 1.01, and all Guarantees and Hypothecations of such Person in respect of such indebtedness and other obligations.

"Default" shall mean an Event of Default or an event which with notice or lapse of time or both would become an Event of Default.

"Designated Event" shall have the meaning assigned to that term in Section 1.02 hereof.

"Dollars" and "$" shall mean lawful money of the United States of America.

"Environmental Laws" shall mean all Governmental Requirements relating to health, safety, industrial hygiene, pollution or environmental matters, including Governmental Requirements relating to emissions, discharges, releases, or threatened releases of pollutants, contaminants, chemicals or industrial, toxic or hazardous substances or wastes into the environment (including, without limitation, air, surface water, ground water or land), or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of pollutants, contaminants, chemicals or industrial, toxic or hazardous substances (including, without limitation, asbestos) or wastes.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time.

"ERISA Affiliate" shall mean any corporation or trade or business which is a member of the same controlled group of corporations (within the meaning of Section 414(b) of the Code) as the Company or is under common control (within the meaning of Section 414(c) of the Code) with the Company.

"Event of Default" shall have the meaning assigned to that term in Section 9 hereof.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

"Existing Term Loan Agreements" shall mean, collectively, (i) the Loan Agreement, dated as of June 28, 1990, among the Company, the financial institutions named therein as "Banks", and LTCB Trust Company, as agent on behalf of such banks, as heretofore amended, and (ii) the Loan Agreement, dated as of February 20, 1992, among the Company, the financial institutions named therein as "Banks", LTCB Trust Company, as agent on behalf of such banks, and Trust Company Bank, as lead manager, as heretofore amended.

"FDA" shall mean the United States Food and Drug Administration, and any successor thereto.

"Funded Debt" shall mean (i) all Debt having a maturity of more than 12 months from the date as of which the amount thereof is to be determined or having a maturity of 12 months or less but by its terms being renewable or extendable beyond 12 months from such date at the option of the borrower, and (ii) all rental obligations payable more than 12 months from such date under Capital Leases (such rental obligations to be included as Funded Debt as the

amount so capitalized and to be included for the purposes of the definition of Consolidated Net Tangible Assets both as an asset and as Funded Debt at the amount so capitalized).

"Governmental Authority" shall mean (a) the government of any federal, state, municipal or other political subdivision in which property of the Company or any of its Subsidiaries is located and (b) any other government exercising jurisdiction over the Company or any of its Subsidiaries, including all agencies and instrumentalities of such government.

"Governmental Requirements" shall mean laws, ordinances, statutes, codes, rules, regulations, orders, decrees and judgments of any Governmental Authority.

"Health Laws" shall mean all Governmental Requirements, whether promulgated by the FDA, any state agency charged with the supervision of public health or related matters or otherwise, in any way relating to the production, marketing or distribution of beverages (including, without limitation, any thereof relating to labeling of containers).

"Indebtedness" shall mean, with respect to any Person (but without duplication):

(a) all indebtedness and other obligations of such Person for borrowed money or for the deferred purchase price of property or services, and without duplication, all obligations of such Person evidenced by bonds, debentures, promissory notes or other similar evidences of indebtedness;

(b) all indebtedness and other obligations of such Person arising under interest rate and currency swaps and other similar hedging arrangements, or under acceptance facilities, and the full stated amount of all letters of credit issued for account of such Person and, without duplication, all drafts drawn thereunder, and all obligations of such Person arising in respect of the sale by such Person, with or without recourse, or discount of any notes or accounts receivable of such Person;

(c) all obligations of such Person under leases or other contractual arrangements which have been, or should be, recorded as capital leases in accordance with generally accepted accounting principles (collectively, "Capital Leases");

(d) all obligations of such Person under direct or indirect guarantees (including, without limitation, agreements to "keep well") in respect of, and obligations, contingent or otherwise, to purchase or acquire or otherwise to assure a creditor against loss in respect of, indebtedness or obligations of others of the kinds referred to above in clause (a), (b) or (c)(collectively, "Guarantees"); and

(e) all indebtedness and other obligations referred to above in clauses (a), (b), (c) or (d) secured by (or for which the holder of such indebtedness or other obligation has a right, contingent or otherwise, to be secured by) any Mortgage upon or in property (including, without limitation, contract rights and accounts receivable) owned by such Person even though such Person has not assumed or become liable beyond the value of

the property pledged for the payment of such indebtedness or other obligation (collectively, "Hypothecations").

"Interest Period" shall mean, with respect to each Loan, each successive period commencing on the date on which such Loan is made or (in the case of Interest Periods for such Loan after the initial Interest Period therefor) the last day of the next preceding Interest Period for such Loan and ending on the numerically corresponding day in the first, second, third or sixth calendar month thereafter, as the Company may select as provided in Section 3.02(d) hereof, except that each Interest Period which commences on the last Business Day of a calendar month (or on any day for which there is no numerically corresponding day in the appropriate subsequent calendar month) shall end on the last Business Day of the appropriate subsequent calendar month. Notwithstanding the foregoing: (i) each Interest Period which would otherwise end on a day which is not a Business Day shall end on the next succeeding Business Day, unless such next succeeding Business Day falls in a subsequent calendar month, in which case such Interest Period shall end on the next preceding Business Day; and (ii) each Interest Period which would otherwise commence before and end after the Interim Maturity Date or the Maturity Date shall end on the Interim Maturity Date or the Maturity Date, as the case may be.

"Interim Maturity Date" shall mean November 20, 2002; provided that if such date is not a Business Day, the Interim Maturity Date shall be the next succeeding Business Day, unless such next succeeding Business Days falls in a subsequent calendar month, in which case the Interim Maturity Date shall be the next preceding Business Day.

"LIBOR" shall mean, for any Interest Period, the rate per annum, as determined by the Agent (rounded upwards, if necessary, to the nearest 1/16 of 1%) to be the arithmetic mean of the interest rates per annum quoted by each of the Reference Banks at approximately 11:00 a.m. London time (or as soon thereafter as practicable) two Business Days prior to the first day of such Interest Period for the offering by such Reference Bank to leading banks in the London interbank market of Dollar deposits having a term comparable to such Interest Period and in an amount comparable to the principal amount of the Loan of such Reference Bank scheduled to be outstanding for such Interest Period; provided that if any Reference Bank is not scheduled to have a Loan outstanding for such Interest Period, the LIBOR for such Interest Period shall be determined by such Reference Bank by reference to such principal amount as the Agent shall determine. If any Reference Bank does not timely furnish information for determination of the LIBOR for any Interest Period, the Agent shall determine the LIBOR for such Interest Period on the basis of information timely furnished by the remaining Reference Bank or Reference Banks.

"Loan(s)" shall mean the loans provided for by Section 2.01 hereof.

"Loan Documents" shall mean this Agreement, the Notes and the fee letter dated November 20, 1995 between the Agent and the Company.

"LTCB" shall mean The Long-Term Credit Bank of Japan, Limited; provided that for purposes of Section 10.04 hereof, "LTCB" shall mean each of The Long-Term Credit Bank of Japan, Limited and LTCB Trust Company.

"Maturity Date" shall mean November 20, 2003; provided that if such date is not a Business Day, the Maturity Date shall be the next succeeding Business Day, unless such next succeeding Business Days falls in a subsequent calendar month, in which case the Maturity Date shall be the next preceding Business Day.

"Mortgage" shall mean, with respect to any asset, revenue or other property, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset, revenue or other property, and any other arrangement having the practical effect of any of the foregoing.

"Multiemployer Plan" shall mean a Plan defined as such in Section 3(37) of ERISA to which contributions have been made by the Company or any ERISA Affiliate and which is covered by Title IV of ERISA.

"NationsBank Revolving Credit Agreement" shall mean the Revolving Credit Agreement dated as of March 17, 1992 among the Company, the financial institutions identified therein as lenders, and NationsBank N.A., as agent for such lenders, as such agreement may be amended, supplemented, extended, restated, replaced or refinanced (by a New Revolving Credit Agreement) from time to time.

"New Revolving Credit Agreement" shall mean a revolving credit agreement dated after the date hereof among the Company and the banks named therein, which replaces or refinances the NationsBank Revolving Credit Agreement, as such credit agreement may be amended, supplemented, extended, restated, replaced or refinanced from time to time.

"Note(s)" shall mean the promissory notes provided for by Section 2.06 hereof to further evidence the Loans and, collectively, any promissory note or notes issued in substitution therefor.

"Officers' Certificate" shall mean a certificate addressed to the Agent and the Banks signed by the Chairman of the Board, a Vice Chairman, the President or a Vice President, and by the Treasurer, an Assistant Treasurer, the Controller, an Assistant Controller, the Secretary or an Assistant Secretary, of the Company, and delivered to the Agent and the Banks.

"Opinion of Counsel" shall mean a written opinion addressed to the Agent and the Banks of counsel, who may (except as otherwise provided in this Agreement) be counsel for, or an employee of, the Company, and who shall be acceptable to the Agent.

"PBGC" shall mean the Pension Benefit Guaranty Corporation or any entity succeeding to any or all of its functions under ERISA.

"Person" shall mean an individual, a corporation, a company, a voluntary association, a partnership, a trust, an unincorporated organization or a government or any agency, instrumentality or political subdivision thereof.

"Plan" shall mean an employee benefit or other plan established or maintained by the Company or any ERISA Affiliate and which is covered by Title IV of ERISA, other than a Multiemployer Plan.

"Post-Default Rate" shall mean, in respect of any principal of any Loan or any interest thereon under this Agreement or the Notes which is not paid when due (whether at stated maturity, by acceleration or otherwise), a rate per annum during the period commencing on the due date to but excluding the date on which such amount is paid in full equal to 2% above the Prime Rate as in effect from time to time; provided that, if such amount in default is principal of a Loan and the due date is a day other than the last day of an Interest Period therefor, the "PostDefault Rate" for such principal shall be, for the period commencing on the due date and ending on the last day of the then current Interest Period therefor, 2% above the interest rate for such Loan as provided in Section 3.02(a) hereof and, thereafter, the rate provided for above in this definition.

"Preferred Stock", as applied to the Capital Stock of any corporation, shall mean Capital Stock ranking prior to the shares of any other class of Capital Stock of said corporation as to the payment of dividends or the distribution of assets on any voluntary or involuntary liquidation.

"Prime Rate" shall mean the rate of interest from time to time announced by LTCB at its New York Branch as its prime commercial lending rate for extensions of credit in Dollars, which rate is not necessarily the lowest rate of interest charged by LTCB. Each change in any interest rate provided for herein or in the Notes based upon the Prime Rate resulting from a change in the Prime Rate shall take effect at the time of such change in the Prime Rate.

"Principal Property" shall mean any building, structure or other facility, together with the land upon which it is erected and fixtures comprising a part thereof, used primarily for the bottling, canning or packaging of soft drinks or soft drink products or warehousing and distributing of such products, owned or leased by the Company or any Subsidiary of the Company, the gross book value (without deduction of any depreciation reserves) of which on the date as of which the determination is being made exceeds 3% of Consolidated Net Tangible Assets, other than any such building, structure or other facility or portion thereof which, in the reasonable opinion of the Board of Directors of the Company, is not of material importance to the total business conducted by the Company and its Subsidiaries as an entirety.

"Reference Banks" shall mean the principal London offices of LTCB, Societe Generale and Credit Lyonnais.

"Regulation D" shall mean Regulation D of the Board of Governors of the Federal Reserve System (or any successor), as the same may be amended or supplemented from time to time.

"Regulatory Change" shall mean (i) any change after the date of this Agreement in Japanese, United States Federal or state, or foreign law or regulations (including, without limitation, Regulation D) or (ii) the adoption or making after such date of any interpretations, directives or requests applying to a class of banks including LTCB or any of the Banks, of or under any Japanese, United States Federal or state, or foreign law or regulations (whether or not having the force of law) by any court or governmental or monetary authority charged with the interpretation or administration thereof.

"Required Banks" shall mean, at any time, Banks then holding more than 50% of the aggregate outstanding principal amount of the Loans, or if no Loans are then outstanding, which hold more than 50% of the aggregate amount of the Commitments, or if no Loans or Commitments are then outstanding, which held more than 50% of the Loans immediately prior to the payment thereof in full.

"Restricted Subsidiary" shall mean a Subsidiary of the Company which (i) owns a Principal Property as of the date hereof, or (ii) acquires a Principal Property after the date hereof from the Company or a Restricted Subsidiary other than for cash equal to such property's fair market value as determined by the Board of Directors of the Company, or (iii) acquires a Principal Property after the date hereof by purchase with funds substantially all of which are provided by the Company or a Restricted Subsidiary or with the proceeds of indebtedness for money borrowed, which indebtedness is guaranteed in whole or in part by the Company or a Restricted Subsidiary, or (iv) is a party to any contract with respect to the bottling, canning, packaging or distribution of soft drinks or soft drink products, other than any such contract which in the reasonable opinion of the Board of Directors of the Company is not of material importance to the total business conducted by the Company and its Subsidiaries as an entirety, and in any event includes each of the Subsidiaries listed in Schedule 1 as of the date hereof.

"SEC" shall mean the Securities and Exchange Commission, or any successor thereto.

"Senior Debt Rating" shall mean the rating assigned by S&P or Moody's, as the case may be, to the Company's senior medium-term debt obligations.

"Subsidiary" shall mean any corporation, partnership or other Person of which at least a majority of the outstanding Voting Shares is at the time directly or indirectly owned or controlled by the Company or one or more of the Subsidiaries or by the Company and one or more of the Subsidiaries.

"Trigger Event" shall mean the occurrence and continuance of any Designated Event and, at any time when any securities of the Company that are rated by either Rating Agency are outstanding, a Rating Decline also has occurred and is continuing.

"Voting Shares" shall mean Capital Stock of the class or classes having general voting power under ordinary circumstances for the election of the board of directors, managers or trustees of a corporation (irrespective of whether at the time stock of any other class or classes shall have or might have voting power by reason of the happening of any contingency).

1.02 Certain Definitions Relating to Trigger Events.

"Designated Event" shall mean any of the following:

(i) a "person" or "group" (within the meaning of Sections 13(d) and 14(d)(2) of the Exchange Act) other than a Permitted Holder (as defined below) becoming the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act) of Voting Shares (as defined below in this definition) of the Company entitled to exercise more than 25% (or, in the case of any person or group consisting solely of one or more Company Employee Benefit Plans (as defined below), 35%) of the total voting power of all outstanding Voting Shares of the Company (calculated in accordance with Rule 13d-3 under the Exchange Act); or

(ii) a change in the Board of Directors of the Company in which the individuals who constituted the Board of Directors of the Company at the beginning of the two-year period immediately preceding such change (together with any other director whose election by the Board of Directors of the Company or whose nomination for election by the shareholders of the Company was approved by a vote of at least two-thirds of the directors then in office who either were directors at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the directors then in office; or

(iii) any consolidation of the Company with, or merger of the Company into, any other person, any merger of another Person into the Company, or any sale, lease, conveyance or transfer of all or substantially all of the assets of the Company to another Person (other than (x) a merger which does not result in any reclassification, conversion, exchange or cancellation of outstanding shares of Common Stock of the Company, or (y) a merger which is effected solely to change, the jurisdiction of incorporation of the Company); or

(iv) the purchase or other acquisition by the Company or any Subsidiary of the Company, directly or indirectly, of beneficial ownership of its Voting Shares if the Voting Shares of the Company acquired in such acquisition and all other such acquisitions effected after the date of the making of the Loans under this Agreement and within the 12-month period ending on the date of such acquisition were entitled to exercise in the aggregate more than 30% of the total voting power of all Voting Shares outstanding on the day before the first such acquisition during such period (taking into account any stock split, stock dividend or similar transaction effected during such period and calculating the voting power of Voting Shares so acquired based on the voting power thereof immediately before being so acquired); or

(v) either (x) the distribution by the Company, directly or indirectly, of cash, securities or other property in respect of its Common Stock (other than a distribution paid solely in its Common Stock or rights to acquire its Common Stock), or (y) the purchase or other acquisition by the Company or any Subsidiary of the Company, directly or indirectly, of any Common Stock of the Company (other than an acquisition of Common Stock of the Company (1) by the Company from any wholly-owned Subsidiary of the Company, (2) by any wholly-owned Subsidiary of the Company from the Company or another wholly-owned Subsidiary of the Company or (3) solely in exchange for or upon conversion of Common Stock of the Company), if the sum of the Applicable Equity Percentages (as defined below) for such distribution or acquisition and all other such distributions and acquisitions effected after the date of the making of the Loans under this Agreement and during the 12-month period ending on the date on which such distribution or acquisition is effected exceeds 30%.

For purposes of this definition: "Applicable Equity Percentage" shall mean, for any distribution or acquisition, the percentage equal to (x) the Fair Market Value (as defined below) on the Valuation Date (as defined below) of the cash, securities and other property distributed in respect of or paid or otherwise exchanged to acquire, Common Stock of the Company in such distribution or acquisition divided by (y) the Fair Market Value on the Reference Date (as defined below) of the Common Stock of the Company outstanding on such Reference Date; "Valuation Date" shall mean (x) for any distribution, the record date therefor or (y) for any acquisition, the date thereof, and "Reference Date" shall mean (x) for any distribution, the day before the earlier of the record date for such distribution and the first date on which the relevant common stock trades the regular way without the right to receive such distribution, or (y) for any acquisition, the day before the date of such acquisition. "Voting Shares" shall mean (solely for purposes of this Section 1.02) all outstanding shares of any class or classes (however designated) of capital stock entitled to vote generally in the election of members of the Board of Directors of the Company. "Permitted Holder" shall mean (i) J. Frank Harrison, Jr. or J. Frank Harrison, III, (ii) any heir, executor, administrator, testamentary trustee, legatee, beneficiary or distributee of J. Frank Harrison, Jr. or J. Frank Harrison, III, (iii) any trust, the beneficiaries of which include only J. Frank Harrison, Jr., J. Frank Harrison, III or any person described in clause (ii) hereof and (iv) The Coca-Cola Company.

In addition, so long as any Person (a "Holding Company") owns, directly or indirectly, Voting Shares of the Company entitled to exercise 50% or more of the total voting power of all outstanding Voting Shares of the Company, any references to the "Company" in clauses (i) through (v) above and in any related definitions shall be deemed to refer to the Company and such Holding Company (from and after the date on which such Holding Company first became such an owner of Voting Shares of the Company) as one entity.

A "Rating Decline" shall be deemed to exist for any Designated Event if either (i) on any date within the Comparison Period (as defined below) for such Designated Event:

(a) in the event any medium-term notes or other medium-term securities of the Company that are rated by either of the Rating Agencies at such time ("Rated

Medium-Term Notes") are rated Investment Grade (as defined below) by either or both of the Rating Agencies on the Rating Date (as defined below) for such Designated Event, the rating of the Rated Medium-Term Notes by each Rating Agency rating the Rated Medium-Term Notes shall be below Investment Grade; or

(b) in the event that no Rated Medium-Term Notes of the Company are rated Investment Grade by either of the Rating Agencies on the Rating Date for such Designated Event, the rating of any outstanding Rated Medium-Term Notes of the Company by each Rating Agency shall be (or be lower than) the Full-Category-Lower Rating (as defined below) for the rating of such Rated Medium-Term Notes of the Company by such Rating Agency on such Rating Date; or

(c) in the event that there are no medium-term notes or medium-term securities of the Company that are rated by either Rating Agency at such time and any short-term notes or other short-term securities of the Company that are rated by either of the Rating Agencies ("Rated Short-Term Notes") (Rated Medium-Term Notes and Rated Short-Term Notes hereafter referred to collectively as "Rated Notes") are rated Investment Grade (as defined below) by either or both of the Rating Agencies on the Rating Date (as defined below) for such Designated Event, the rating of the Rated Short-Term Notes by each Rating Agency rating the Rated Short-Term Notes shall be below Investment Grade; or

(ii) on the last day of such Comparison Period for such Designated Event either (A) no notes or other securities of the Company are rated by Moody's or S&P, or (B) notes or other securities of the Company are rated by either (but not both) of Moody's and S&P, but are not rated by either Duff's or Fitch's.

"Investment Grade" shall mean, (A) for medium-term securities, a rating of at least Baa3, in the case of a rating by Moody's, a rating of at least BBB-, in the case of a rating by S&P, a rating of at least BBB- in the case of a rating by Duff's, and a rating of at least BBB-, in the case of a rating by Fitch's and (B) for short-term securities, a rating of at least A-3, in the case of a rating by Moody's, a rating of at least P-3, in the case of a rating by S&P, a rating of at least D-3, in the case of a rating by Duff's, and a rating of at least F-3, in the case of a rating by Fitch's.

"Comparison Period" shall mean, for any Designated Event, the period (i) commencing on the date of the occurrence of such Designated Event and (ii) ending on the 90th day after the first public announcement of such occurrence or, if on such 90th day the rating of the Rated Notes by Moody's shall be listed on the "Watchlist" of Moody's with a designation of "down" or "uncertain" (or on such similar list with such similar designations as may be maintained by Monody's from time to time) or the rating of the Rated Notes by S&P shall be listed on the "Creditwatch" of S&P with a designation of "negative implications" or "developing" (or on such similar list with such similar designations as may be maintained by S&P from time to time), or the rating of the Rated Notes by Duff's shall be listed on the "DP Watchlist" of Duff's with a designation of "down" or "up/down" (or such similar list with such

similar designations as may be maintained by Duff's from time to time) or the rating of the Rated Notes by Fitch's shall be listed on the "FitchAlert" of Fitch's with a designation of "declining" or "uncertain" (or such similar list with such similar designations as may be maintained by Fitch's from time to time) the day 5 days after the first date thereafter on which the rating of the Rated Notes by each Rating Agency rating the Rated Notes shall not be so listed.

"Rating Date", for any Designated Event, shall mean the earlier of:

(i) the date that is either (x) the 90th day prior to the date of the earlier of (a) the first public announcement of an intention to effect such Designated Event and (b) the occurrence of such Designated Event, or (y) if the Rated Notes are not rated by both Rating Agencies on such 90th day, the next preceding day on which the Rated Notes are so rated (or, if such 90th day is before the date of the first issuance of any Rated Note, the date of such first issuance); or

(ii) if during the 180-day period ending on the date referred to in clause (i) an intention to effect any other Designated Event was first publicly announced but such other Designated Event did not occur, the date that is the earliest of the Rating Dates for any such other Designated Events.

"Full-Category-Lower Rating", for any rating of the Rated Notes by any Rating Agency on any Rating Date, shall mean the rating of the next lower Rating Category as compared to such rating by such Rating Agency on such Rating Date, modified by the same gradation (if applicable) within such next lower Rating Category as the gradation within the Rating Category of such rating by such Rating Agency on such Rating Date ("gradation" in the case of medium-term ratings meaning + and - for S&P, Duff's and Fitch's and 1, 2 and 3 for Moody's; and the "Rating Category" of any rating shall mean (from highest to lowest), with respect to a medium-term rating by S&P, BB, B, CCC, CC, C and D, or, with respect to a medium-term rating by Moody's, Ba, B, Caa, Ca and C, or, with respect to a medium-term rating by Duffs, BB, B and CCC, or, with respect to a medium-term rating by Fitch's, BB, B, CCC, CC, C, DDD, DD and D). For example, the Full-Category-Lower Ratings for the S&P medium-term ratings of "BB-" and "CCC-" are "B-" and "CC", respectively.

"Moody's" means Moody's Investors Service, together with its successors.

"S&P" means Standard & Poor's Corporation, together with its successors.

"Duff's" means Duff & Phelps Inc., together with its successors.

"Fitch's" means Fitch's Investors' Service, Inc., together with its successors.

"Rating Agencies" means, at any time, Moody's and S&P; provided that if at such time either (but not both) of Moody's or S&P shall no longer be rating any of the applicable notes or other securities of the Company (medium-term notes and securities in the case of clauses (a) and (b) of the definition of Rating Decline, and short-term notes and securities in the

case of clause (c) thereof), then "Rating Agencies" shall mean the one that is still rating such securities and either (i) Duff's (if it is rating such securities) or (ii) if Duff's is not rating such securities but Fitch's is rating such securities, Fitch's.

"Company Employee Benefit Plan" shall mean any employee benefit plan (as defined in Section 3(3) of ERISA) maintained by the Company or any Subsidiary.

"Fair Market Value" of any item shall mean the fair market value of the subject item as determined in good faith by the Board of Directors of the Company.

1.03 Accounting Terms. All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles in the United States and, except as otherwise herein expressly provided, the term "generally accepted accounting principles" with respect to any computation required or permitted hereunder shall mean such accounting principles as are generally accepted in the United States at the date of such computation.

1.04 Compliance Certificates and Opinions. Except as otherwise expressly provided by this Agreement, upon any application or request by the Company to the Agent and the Banks to take any action under any provision of this Agreement, the Company shall furnish to the Agent an Officers' Certificate stating that all conditions precedent, if any, provided for in this Agreement relating to the proposed action have been complied with and, if reasonably requested by the Agent, an Opinion of Counsel stating that in the opinion of such counsel all such conditions precedent, if any, have been complied with, except that in the case of any such application or request as to which the furnishing of such documents is specifically required by any provision of this Agreement relating to such particular application or request, no additional certificate or opinion need be furnished.

Every certificate or opinion with respect to compliance with a condition or covenant provided for in this Agreement shall include:

(1) a statement that each individual signing such certificate or opinion has read such covenant or condition and the definitions herein relating thereto;

(2) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(3) a statement that, in the opinion of each such individual, he has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(4) a statement as to whether, in the opinion of each such individual, such condition or covenant has been complied with.

Section 2. Commitments and Loans.

2.01 Commitments. Each Bank severally agrees, subject to the terms and conditions of this Agreement, to make one loan to the Company on any Business Day on or prior to November 20, 1995, and to make one additional loan to the Company on any Business Day on or prior to the Commitment Termination Date, which loans collectively shall be in an aggregate principal amount up to but not exceeding the respective Commitment amount specified opposite such Bank's name on the signature pages hereof. Each such borrowing of Loans shall be made by the Banks pro rata in accordance with their respective Commitments.

2.02 Borrowings. The Company shall give the Agent written notice of each requested borrowing of the Loans not later than 10:00 a.m. (New York time) on the date that is not less than five Business Days prior to the date of such requested borrowing. Each such notice of borrowing shall specify the aggregate principal amount of the Loans to be borrowed (which shall not, in the aggregate, exceed $120,000,000 on the occasion of the initial borrowing hereunder, and shall not, in the aggregate, exceed $50,000,000 on the occasion of the second (and final) borrowing hereunder), the date of borrowing (which shall be a Business Day not later than November 20, 1995, in the case of the initial borrowing hereunder, and the Commitment Termination Date in the case of the second (and final) borrowing hereunder) and the initial Interest Period that will apply to the Loans borrowed as part of such borrowing. Each such notice of borrowing shall be irrevocable and shall be effective upon receipt thereof by the Agent. Promptly after the Agent's receipt of any notice of borrowing (and in any event not later than the date three Business Days prior to the date of the requested borrowing), the Agent shall give each Bank notice of the contents thereof and of each Bank's pro rata share of the aggregate principal amount of the requested borrowing.

Not later than 10:00 a.m. New York time on the date of each requested borrowing, each Bank shall make available to the Agent the principal amount of such Bank's Loan to be made as part of such borrowing by paying the same, in Dollars and in immediately available funds, to the Agent's account no. 04 203606 maintained at Bankers Trust Company, New York, New York, ABA no. 021001033, ref: "Coca-Cola Bottling Co. Consolidated". Not later than 3:00 p.m. (New York time), the Agent shall, subject to the terms and conditions of this Agreement, make available to the Company the amounts so received from the Banks by depositing the same, in immediately available funds, in the Company's account no. 001240985 "Coca-Cola Bottling Co. Consolidated" maintained with NationsBank of North Carolina, N.A., One NationsBank Plaza, Charlotte, North Carolina, ABA no. 053000196; provided, that, notwithstanding the foregoing, the Borrower hereby irrevocably authorizes and instructs the Agent to apply the proceeds of the Loans made on the occasion of the initial borrowing hereunder to repay or prepay in full, on the borrowing date of the initial Loans, any outstanding principal amount of the loans under the Existing Term Loan Agreements. The second borrowing of the Loans shall be the final borrowing, and accordingly shall terminate any Commitments that remain unborrowed. Any portion of the Commitments not utilized on December 29, 1995 will terminate on such date.

2.03 Fees. (a) The Company shall pay to the Agent, for the account of each Bank, a commitment fee at a rate of 0.15% per annum on the average daily unutilized amount of the Commitment of such Bank, from and including the date of this Agreement to but not including the Commitment Termination Date; provided, that if the initial borrowing of Loans occurs on or prior to November 20, 1995, no such commitment fee shall be payable with respect to the portion of the Commitments (up to an aggregate Commitment amount of $120,000,000) borrowed on such date, for the period from the signing date of this Agreement to but not including such borrowing date. Accrued commitment fee shall be payable in arrears on the Commitment Termination Date or, if earlier, the date on which the Commitments are borrowed or otherwise are terminated in full.

(b) In the event that any portion of the Commitments remains in effect at any time after 10:00 a.m. (New York time) on the Commitment Termination Date, or in the event that any portion of the Commitments is terminated for any reason on any day prior to the Commitment Termination Date, the Borrower shall pay to the Agent for the account of each Bank a commitment termination fee in an amount equal to 0.125% of the amount of such remaining Commitment of such Bank or the portion so terminated, as the case may be. Such fee shall be payable on the Commitment Termination Date or, in the case of any earlier termination, the date of such termination.

(c) The Company shall pay to the Agent for its own account such fees in such amounts and at the times set forth in the letter dated November 20, 1995 between the Agent and the Company.

2.04 Lending Offices. Each Bank shall make and maintain its Loans at such Bank's Applicable Lending Office or at such other Applicable Lending Office(s) as such Bank may select in accordance with the definition of such term in Section 1.01 hereof.

2.05 Loan Accounts. Each Bank shall record on its internal records the amount of the Loans made by it and each payment of principal, interest, fees and other amounts payable by the Company hereunder and under the Notes, and such records shall be rebuttably presumptive evidence of the Company's obligations in respect of such amounts. The Agent also shall record on its internal records the amount of all Loans of the Banks and each payment of principal, interest, fees and other amounts payable by the Company hereunder and under the Notes, and such records shall be rebuttably presumptive evidence of the Company's obligations in respect of such amounts; provided that in the event of any discrepancy between the records of the Agent and the records of any Bank, the records of such Bank shall prevail.

2.06 Notes.

(a) Without limiting the provisions of Section 2.05 hereof, each Loan made by each Bank shall be further evidenced by a promissory note of the Company in substantially the form of Exhibit A hereto. A separate note shall evidence the Loan made by each Bank on the occasion of each borrowing of Loans. Each Note to the order of a Bank shall be dated the date of the borrowing of the respective Loan hereunder to be evidenced by such Note, shall be

payable to the order of such Bank in a principal amount equal to the amount of such Loan and shall be otherwise duly completed, executed and delivered. Any payments and prepayments made on account of the principal of each Note shall be recorded by the Bank holding such Note on its books and, prior to any transfer of such Note, endorsed by such Bank on the schedule attached to such Note or any continuation thereof; but no-failure by such Bank to make, or delay in making, such recording or endorsement shall affect the obligations of the Company under this Agreement or such Note.

(b) Each Bank shall be entitled to have its Notes subdivided, by exchange for promissory notes in minimum denominations of $10,000,000 (in the aggregate amount of all Notes of such Bank).

2.07 Several Obligations and Remedies. The obligations of the Banks under this Agreement are several, and neither the Agent nor any other Bank shall be responsible for the failure of any Bank to make its Loans hereunder. The rights of the Banks also are several, and the amounts payable by the Company at any time under this Agreement and the Notes to each Bank shall be a separate and independent debt. Each Bank shall be entitled separately to protect and enforce its rights arising out of this Agreement and the Notes, and it shall not be necessary for any other Bank or the Agent to consent to, or be joined as an additional party in, any proceedings for such purpose.

Section 3. Payments of Principal and Interest.

3.01 Repayment of Loans. The Company will pay to the Agent for the account of each Bank the unpaid principal amount of each Loan in full in two installments, the first of which shall be in the aggregate principal amount of $85,000,000 for all of the Banks and shall be payable on the Interim Maturity Date, and the second of which shall be in the aggregate principal amount of $85,000,000 for all of the Banks (or such other amount as shall equal the aggregate principal amount of all Loans that are then outstanding) and shall be payable on the Maturity Date. For the avoidance of doubt, (i) assuming that the Commitments are fully drawn, the installment of principal of each Loan made by each Bank that the Company shall be obligated to pay on the Interim Maturity Date shall be one-half of the original principal amount of such Loan, with the full remaining balance of the principal amount of such Loan to be payable on the Maturity Date, and (ii) in the event that less than all of the Commitments are drawn, the aggregate initial installment of the Loans payable on the Interim Maturity Date shall be $85,000,000 for all of the Banks, and the second (and final) aggregate installment of the Loans payable on the Maturity Date shall be the remaining aggregate principal balance of the Loans outstanding on such date.

3.02 Interest.

(a) The Company will pay to the Agent for the account of each Bank interest on the unpaid principal amount of each installment of each Loan and Note for the period commencing on the date of such Loan to but excluding the date on which such installment shall be paid in full, at a rate per annum, for each Interest Period for such Loan equal to the LIBOR

for such Interest Period plus the Applicable Margin in effect from time to time during such Interest Period.

(b) Notwithstanding the foregoing, the Company will pay to Agent for the account of each Bank interest at the Post-Default Rate on any principal of the Loans and (to the fullest extent permitted by law) on interest hereunder or under the Notes, which shall not be paid in full when due (whether at stated maturity, by acceleration or otherwise), for the period commencing on the due date thereof to but excluding the date on which the same is paid in full.

(c) Accrued interest on the Loans and the Notes shall be payable on the last day of each Interest Period and upon the payment or prepayment of the Loans, except that interest payable on any amount at the Post-Default Rate shall be payable from time to time on demand by the Agent or any Bank.

(d) The Company shall select the duration of the initial Interest Period for each Loan in the notice of borrowing for such Loan given pursuant to Section 2.02 hereof. The Company shall select the duration of each subsequent Interest Period for each Loan by giving written notice to the Agent, and such Interest Period shall apply to all Loans then outstanding that were made as part of the same borrowing. Such notice with respect to any Interest Period shall be irrevocable and shall be effective only if received by the Agent not later than 10:00 a.m. New York time on the date three Business Days prior to the first day of such Interest Period. In the event that the Company fails to select the duration of any Interest Period for any Loans within the time period and otherwise as provided in this Section 3.02, such Interest Period shall have a duration of one month. The Agent shall promptly notify the Banks of the duration of each Interest Period.

3.03 Prepayments of the Loans.

(a) The Company shall have the right to prepay the Loans in full or in part at any time or from time to time; provided that: (i) the Company shall give the Agent written notice of each such prepayment, which notice shall be irrevocable, shall specify the aggregate principal amount of the Loans of all the Banks to be prepaid (which, if less than the full unpaid principal amount of the Loans, shall be at least $5,000,000 or, if higher, an integral multiple of $1,000,000), and the date of prepayment, and shall be effective only if received by the Agent not later than 10:00 a.m. New York time on the date 10 days prior to the requested date of such prepayment, (ii) such prepayment shall be accompanied by all amounts that may be required to be paid to each Bank pursuant to Section 5.04 hereof, (iii) except in the case of non-ratable prepayments pursuant to Sections 5.01(b), 5.03 or 5.06 hereof, such prepayment shall be applied ratably to the Loans of all the Banks in accordance with the unpaid principal amount of the respective Loans then held by each of them, and (iv) such prepayment shall be applied to the installments of the Loans in the inverse order of their maturity. The Agent shall promptly notify the Banks of each notice of prepayment.

(b) Any portion of the Loans prepaid, whether pursuant to this Section 3.03, Section 5.03 or otherwise, may not be reborrowed.

(c) No portion of the Commitments may be voluntarily reduced or terminated by the Company.

3.04 Limitation on Interest. Anything in this Agreement or in any Note to the contrary notwithstanding, in no event shall any Bank be entitled to take, charge, collect or receive interest on the Loans or the Notes in excess of the maximum rate permitted under applicable law.

Section 4. Payments and Computations.

4.01 Payments.

(a) All payments of principal of the Loans, interest thereon and all other fees, indemnities and other amounts to be paid by the Company under this Agreement and the Notes shall be made in Dollars, in immediately available funds, to the Agent at its account No. 04 203606 at Bankers Trust Company, New York, New York ABA no. 021001033, ref.: "Coca-Cola Bottling Co. Consolidated" (or at such other account or at such other place in New York City as the Agent may notify the Company from time to time), for account of each Bank's Applicable Lending Office not later than 10:00 a.m. New York time on the date on which such payment shall become due. Each such payment made after such time on any such due date shall be deemed to have been made on the next succeeding Business Day, and interest shall accrue thereon as provided in Section 3.02(b). Each payment received by the Agent under this Agreement or any Note for account of a Bank shall be paid promptly to such Bank, in immediately available funds, for account of such Bank's Applicable Lending Office.

(b) All payments and prepayments of principal of the Loans shall be accompanied by interest on the Loans accrued to the date of payment or prepayment.

(c) All payments shall be made without set-off, counterclaim or deduction of any kind. Upon the occurrence and during the continuance of a Default, then in addition to any rights that the Agent or any Bank may have under applicable law, the Agent and each Bank may (but shall not be obligated to) debit the amount of any such payment to any ordinary deposit account of the Company with the Agent or such Bank or any affiliate of the Agent or such Bank (with subsequent written notice to the Company).

(d) If the stated due date of any payment under this Agreement or the Notes would otherwise fall on a day which is not a Business Day, such date shall be extended to the next succeeding Business Day and interest shall be payable for any principal so extended for the period of such extension.

(e) Each payment or prepayment of principal of or interest on the Loans or of commitment fee or commitment termination fee shall be made to the Agent for the account of the Banks pro rata in accordance with the respective unpaid principal amounts of their respective Loans.

4.02 Computations. Interest on the Loans and the Notes and on interest thereon and all commitment fees hereunder shall be computed on the basis of a year of 360 days and actual days elapsed (including the first day but excluding the last day) occurring in the period for which payable.

4.03 Non-Receipt of Funds by the Agent. Unless the Agent shall have been notified by a Bank or the Company prior to the date on which such Bank or the Company (as the case may be) is scheduled to make any payment to the Agent of any amount required to be paid under this Agreement or any Note (such payment being herein called a "Required Payment"), which notice shall be effective upon receipt, that it does not intend to make the Required Payment to the Agent, the Agent may assume that the Required Payment has been made and may, in reliance upon that assumption (but shall not be required to), make the amount of such Required Payment available to the intended recipient(s) on such date. If such Bank or the Company (as the case may be) has not in fact made the Required Payment to the Agent, the recipient(s) of such payment shall, on demand, repay to the Agent the amount so made available together with interest thereon in respect of each day during the period commencing on the date such amount was so made available by the Agent until the date on which the Agent recovers such amount at a rate per annum equal to the effective federal funds rate for such day (as determined by the Agent).

4.04 Sharing of Payments. If any Bank shall obtain payment of any principal of or interest on any Loan through the exercise of any right of set-off, banker's lien, counterclaim or similar right or otherwise, and, as a result of such payment, such Bank shall have received a greater percentage of the principal or interest then due hereunder to such Bank than the percentage received by any other Banks, it shall promptly purchase from such other Banks participations in the Loans made by such other Banks in such amounts, and make such other adjustments from time to time as shall be equitable, to the end that all the Banks shall share the benefit of such excess payment (net of any expenses which may be incurred by such Bank in obtaining or preserving such excess payment) pro rata in accordance with the unpaid principal of and/or interest on the Loans held by each of the Banks. To such end, all the Banks shall make appropriate adjustments among themselves (by the resale of participations sold or otherwise) if such excess payment is rescinded or must otherwise be restored. The Company agrees that any Bank so purchasing a participation in the Loans made by other Banks may exercise all rights of set-off, banker's lien, counterclaim or similar rights with respect to such participation as fully as if such Bank were a direct holder of the Loans in the amount of such participation. Nothing contained herein shall require any Bank to exercise any such right or shall affect the right of any Bank to exercise, and retain the benefits of exercising, any such right with respect to any other indebtedness or obligation of the Company or any of its Affiliates. If under any applicable bankruptcy, insolvency or other similar law, any Bank receives a secured claim in lieu of a right of set-off to which this Section 4.04 applies, such Bank shall, to the extent practicable, exercise its rights in respect of such secured claim in a manner consistent with the rights of the Banks entitled under this Section 4.04 to share in the benefits of any recovery on such secured claim.

Section 5. Yield Protection and Illegality.

5.01 Additional Costs.

(a) The Company shall pay to the Agent for the account of each Bank from time to time such amounts as such Bank may reasonably determine to be necessary to compensate it for any costs which such Bank determines are attributable to its making or maintaining of any of its Loans or its obligation to make such Loans hereunder or any reduction in any amount receivable by such Bank from the Company hereunder or under the Notes in respect of its Loans or such obligation (such increases in costs and reductions in amounts receivable being herein called "Additional Costs"), resulting from any Regulatory Change which: (i) changes the basis of taxation of any amounts payable to the Agent or such Bank by the Company under this Agreement or any Note (other than taxes imposed on the overall net income of such Bank or of its Applicable Lending Office by the jurisdiction in which such Bank has its principal office or such Applicable Lending Office); or (ii) imposes or modifies any reserve, special deposit, minimum capital, capital ratio or similar requirements, or increases the rate of any such requirements, relating to any extensions of credit or other assets of, or any deposits with or other liabilities of, such Bank (including any of such Bank's Loans or any deposits referred to in the definition of "LIBOR" in Section 1.01 hereof), or the Commitments or the Notes; or (iii) imposes any other condition affecting this Agreement or the Notes (or any of such extensions of credit or liabilities) or the Commitments. The relevant Bank will notify the Company (with a copy to the Agent) of any event occurring after the date of this Agreement which will entitle such Bank to compensation pursuant to this Section 5.01 (a) as promptly as practicable after it obtains knowledge thereof and determines, in the light of its then prevailing policies, to request such compensation. Notwithstanding the foregoing provisions of this Section 5.01(a), in no event shall any Bank requesting payment of any Additional Costs under this Section 5.01(a) be entitled to payment of such Additional Costs to the extent that such Additional Costs arose with respect to any period prior to the date of the first such request. Further, each Bank will designate a different Applicable Lending Office for its Loans if such designation will avoid the need for, or reduce the amount of, such compensation and will not, in the opinion of such Bank, be disadvantageous to such Bank in any material respect. Each Bank will furnish the Company (with a copy to the Agent) with a certificate setting forth in reasonable detail the basis and amount of each request for compensation under this Section 5.01(a).

(b) Without limiting the effect of the provisions of Section 5.01(a) hereof (but without duplication), in the event that, by reason of any Regulatory Change, any Bank becomes subject to restrictions on the amount of any category of liabilities or assets (relating to any Loan held by it or its funding), then, if such Bank so elects by notice to the Company (with a copy to the Agent), the following provisions shall apply:

(x) During the 30-day period following the date of any such notice (the "Negotiation Period"), such Bank and the Company will negotiate in good faith (through the Agent) to agree upon a substitute basis (the "Substitute Basis") for determining the rate of interest to be applicable to the Loans held by such Bank (including, if appropriate, alternative periods for such determinations). If so agreed, the Substitute Basis (plus the

Applicable Margin) shall thereafter be the rate at which such Loans bear interest pursuant to Section 3.02 hereof (subject to Section 3.04) and shall be retroactive to, and take effect from, the beginning of the then current Interest Period for each Loan.

(y) If at the expiry of the Negotiation Period a Substitute Basis shall not have been agreed upon, such Bank shall notify the Company from time to time (with a copy to the Agent) of the cost (as reasonably determined by such Bank) of funding its Loans (plus the Applicable Margin) and the interest payable to such Bank on such Loans, and the Company shall be obligated to pay all such costs and interest in the amounts and at the rates specified by such Bank. The failure of the Company and such Bank to agree upon a Substitute Basis at the expiry of the Negotiation Period shall be deemed to be an election by the Company to prepay the Loans of such Bank in accordance with Section 3.03 hereof on the date 30 days after such expiry (or, if earlier, on the last day of the then current Interest Period), subject to Section 5.04 hereof.

(c) Without limiting the effect of the foregoing provisions of this Section 5.01 (but without duplication), the Company shall pay to the Agent for the account of each Bank from time to time on request by such Bank (with a copy to the Agent) such amounts as such Bank may reasonably determine to be necessary to compensate such Bank for any costs which it determines are attributable to the maintenance by such Bank (or any Applicable Lending Office), pursuant to any law or regulation or any interpretation, directive or request (whether or not having the force of law) of any court or governmental or monetary authority, by reason of any Regulatory Change, of capital in respect of the Commitment, the Loans or the Notes held by it (such compensation to include, without limitation, an amount equal to any reduction of the rate of return on assets or equity of such Bank (or any Applicable Lending Office) to a level below that which such Bank (or any Applicable Lending Office) could have achieved but for such law, regulation, interpretation, directive or request); provided that in no event shall any Bank requesting payment of any compensation under this Section 5.01(c) be entitled to payment of such compensation to the extent that such compensation is for such costs with respect to any period prior to the date of the first such request. Such Bank will notify the Company (with a copy to the Agent) that it is entitled to compensation pursuant to this Section 5.01(c) as promptly as practicable after it determines, in light of its then prevailing policies, to request such compensation. Each Bank will furnish the Company with a certificate setting forth in reasonable detail the basis and amount of each request for compensation under this Section 5.01(c).

(d) Determinations and allocations by each Bank for purposes of this Section 5.01 of the effect of any Regulatory Change pursuant to Section 5.01(a) or (b) hereof, or of the effect of capital maintained pursuant to Section 5.01(c) hereof, on its costs or rate of return of maintaining its Loans or its obligation to make its Loans, or on amounts receivable by it in respect of its Loans, and of the amounts required to compensate such Bank under this Section 5.01, shall be conclusive, provided that such determinations and allocations are reasonable.

5.02 Changes in Circumstances. Anything herein to the contrary notwithstanding, if, on or prior to the determination of the interest rate for any Loan for any Interest Period therefor either (i) the Agent determines (which determination shall be conclusive)

that quotations of interest rates for the deposits referred to in the definition of "LIBOR" in Section 1.01 hereof are not being provided in the relevant amounts or for the relevant maturities for purposes of determining the rate of interest for such Loan as provided herein, then the Agent shall give the Company and the Banks prompt written notice thereof, or (ii) any Bank determines that the LIBOR for such Interest Period will not adequately reflect the cost to such Bank of funding its Loan or Loans for such interest Period, then such Bank shall give the Agent and the Company prompt written notice thereof, and, if such Loan has not then been made, the obligation of the Banks to make the Loans shall immediately terminate, and if such Loan has been made, the following provisions shall apply:

(a) During the 30-day period following the date of any such notice (the "Negotiation Period"), the Banks and the Company will negotiate in good faith (through the Agent) to agree upon a substitute basis (the "Substitute Basis") for determining the rate of interest to be applicable to the Loans (including, if appropriate, alternative periods for such determinations). If so agreed, the Substitute Basis (plus the Applicable Margin) shall thereafter be the rate at which the Loans bear interest pursuant to Section 3.02 hereof (subject to Section 3.04) and shall be retroactive to, and take effect from, the beginning of the then current Interest Period.

(b) If at the expiry of the Negotiation Period a Substitute Basis shall not have been agreed upon, each Bank shall notify the Company from time to time (with a copy to the Agent) of the cost (as reasonably determined by such Bank) of funding its Loans (plus the Applicable Margin) and the interest payable to such Bank on such Loans, and the Company shall be obligated to pay all such costs and interest in the amounts and at the rates specified by such Bank. The failure of the Company and the Banks to agree upon a Substitute Basis at the expiry of the Negotiation Period shall be deemed to be an election by the Company to prepay the Loans of the Banks in accordance with Section 3.03 hereof on the date 30 days after such expiry (or, if earlier, the last day of the then current Interest Period), subject to Section 5.04 hereof.

5.03 Illegality. Notwithstanding any other provision of this Agreement, in the event that it becomes unlawful for any Bank or its Applicable Lending Office to make or maintain its Loans hereunder, then such Bank shall promptly notify the Company and the Agent and, if the Loans have not then been made, the obligation of such Bank to make its Loans shall immediately terminate, and if the Loans have been made, the Company shall prepay the Loans of such Bank in full on the last day of the then current Interest Period therefor, or on such earlier date as such Bank may reasonably require in light of the applicable legal requirements. Such Bank agrees that it will designate a different Applicable Lending Office for its Loans if such designation will avoid the illegality that is the reason for the required prepayment pursuant to this Section 5.03 and will not, in the opinion of such Bank, be disadvantageous to such Bank in any material respect.

5.04 Compensation. Whether or not any Loan is made, the Company shall pay to the Agent for its own account or for the account of each Bank (as the case may be), immediately upon the request of the Agent or such Bank from time to time, such amount or

amounts as shall be sufficient (in the reasonable opinion of the Agent or such Bank) to compensate it for any loss, cost or expense which the Agent or such Bank determines are attributable to:

(a) any payment or prepayment of any Loan for any reason (including, without limitation, any prepayment or acceleration of the Loans pursuant to Section 3.03, 5.03 or 9 hereof for any reason) on a date other than the last day of an Interest Period for such Loan or any failure to continue a LIBOR Loan for the designated Interest Period; or

(b) any failure by the Company for any reason (including, without limitation, the failure of any of the conditions precedent specified in Section 6 hereof to be satisfied) to borrow the Loans on any date scheduled for the borrowing thereof.

Without limiting the effect of the first sentence of this Section 5.04, such compensation to any Bank shall not include the amount attributable to the Applicable Margin but shall include an amount equal to the excess, if any, of (i) the amount of interest which otherwise would have accrued on the principal amount so paid, prepaid or not borrowed for the period from the date of such payment, prepayment or failure to borrow to the last day of the then current Interest Period for the respective Loans (or, in the case of a failure to borrow, the Interest Period for such Loans which would have commenced on the date specified for such borrowing) at the applicable rate of interest for such Loan provided for herein over (ii) the interest component of the amount such Bank would have bid in the London interbank market for Dollar deposits of leading banks in amounts comparable to such principal amount and with maturities comparable to such period (as reasonably determined by such Bank).

5.05 Taxes. All payments of principal, interest, fees and other amounts under this Agreement or the Notes paid or payable to the Agent or any Bank (as used in this Section 5.05, "Payments") shall be made free and clear of, and without deduction by reason of, any and all taxes, duties, assessments, withholdings, retentions or other similar charges whatsoever imposed, levied, collected, withheld or assessed by any jurisdiction or any agency or taxing authority thereof or therein (as used in this Section 5.05, "Taxes"), all of which shall be paid by the Company for its own account not later than the date when due. If the Company is required by law or regulation to deduct or withhold any Taxes from any Payment, the Company shall: (a) make such deduction or withholding; (b) pay the amount so deducted or withheld to the appropriate taxing authority not later than the date when due; (c) deliver to the Agent, promptly and in any event within 15 days after the date on which such Taxes become due, original tax receipts and other evidence satisfactory to the Agent of the payment when due of the full amount of such Taxes; and (d) pay to the Agent for the account of itself or of the respective Bank, forthwith upon any request by the Agent or such Bank therefor from time to time, such additional amounts as may be necessary so that the Agent or such Bank receives, free and clear of all Taxes, the full amount of such Payment stated to be due under this Agreement or the Notes as if no such deduction or withholding had been made. The Company hereby indemnifies the Agent and each Bank and holds each of them harmless for any loss, cost, damage, penalty or expense whatsoever arising from any failure of the Company to make, or delay in making, any deduction or withholding of Taxes, or its failure to pay when due the amount so deducted or withheld to the

appropriate taxation authority or its failure otherwise to comply with the terms and conditions of this Section 5.05. Each Bank will designate a different Applicable Lending Office for its Loans if such designation will avoid the need for, or reduce the amount of, any additional amount that the Company is required to pay to such Bank under this Section 5.05 and will not, in the opinion of such Bank, be disadvantageous to such Bank in any material respect.

Each Bank that is organized under the laws of a jurisdiction other than the United States or any state or other political subdivision, district or territory thereof agrees that it will deliver to the Company on the date of its execution of this Agreement and thereafter as may be required from time to time by applicable law or regulation United States Internal Revenue Service Form 4224 or 1001 (or any successor form) or such other form as from time to time may be required to demonstrate that payments made by the Company to such Bank under this Agreement and the Notes either are exempt from United States Federal withholding taxes or are payable at a reduced rate (if any) specified in any applicable tax treaty or convention.

5.06 Prepayments. If the Company becomes obligated to pay any Bank Additional Costs, compensation or additional amounts pursuant to Section 5.01 hereof, the Company may prepay the Loans of such Bank non-ratably in accordance with the terms of Section 3.03 hereof.

Section 6. Conditions Precedent.

6.01 Conditions Precedent to the Initial Borrowing. The obligation of each Bank to make its Loan hereunder on the occasion of the initial borrowing under Section 2.02 hereof is subject to the receipt by the Agent of the following documents, each of which shall be satisfactory to the Agent in form and substance, and with sufficient copies for the Agent and each Bank:

(a) An Officers' Certificate (which shall include the signature thereon of the Secretary of the Company) containing certified copies of the certificate of incorporation and bylaws and all other organizing documents of the Company and all corporate action taken by the Company approving this Agreement, the Notes, the borrowing by the Company of the full amount of the Commitments hereunder and the performance of its obligations hereunder and thereunder (including, without limitation, a certificate setting forth the resolutions of the Board of Directors of the Company adopted in respect of the transactions contemplated hereby and thereby and any shareholder action taken in respect thereof) and good standing certificates for the Company from the States of Delaware, Tennessee, Virginia, North Carolina and South Carolina and good standing certificates for each of the Subsidiaries listed in Schedule 1 hereto from the states of their respective incorporation and from each state in which such Subsidiary is doing business, as set forth in said Schedule 1.(b) An Officers' Certificate (which shall include the signature thereon of the Secretary of the Company) in respect of each of the officers who is authorized to sign this Agreement and the Notes on its behalf.

(c) An Officers' Certificate to the effect set forth in Section 6.02 hereof.

(d) An opinion of Witt, Gaither & Whitaker, special counsel to the Company, substantially in the form of Exhibit B hereto.

(e) The Notes in respect of the initial Loans, duly executed and delivered by the Company to the order of each Bank and otherwise appropriately completed.

(f) Evidence of the payment of the fee described in Section 2.03(c) hereof.

(g) An Officers' Certificate stating that the Senior Debt Rating of the Company by Moody's is at least Baa3 and by S&P is at least BBB-.

(h) Evidence that all principal of and interest on all loans outstanding under the Existing Term Loan Agreements have been or, simultaneously with the making of the Loans hereunder are being, irrevocably paid in full, together with such broken funding payments and other costs as may be provided for in the Existing Term Loan Agreements.

(i) Such other opinions and other documents as the Agent or any Bank may reasonably request.

6.02 Each Borrowing. The obligation of the Banks to make the Loans to the Company upon the occasion of each borrowing hereunder (including, without limitation, the initial borrowing) is subject to the further condition precedent that, as of the date of the Loans to be made as part of such borrowing and after giving effect thereto: (a) no Default or Rating Decline shall have occurred and be continuing; and (b) the representations and warranties made by the Company in this Agreement shall be true and correct in all material respects on and as of the date of the making of such Loans, with the same force and effect as if made on and as of such date and the Company shall, on the date of each borrowing hereunder (including, without limitation, the date of the second (and final) borrowing), furnish an Officer's Certificate with respect to compliance by the Company with clauses (a) and (b) above; and (c) in the case of the second (and final) borrowing hereunder, the Agent shall have received the Notes in respect of such Loans, duly executed and delivered by the Company to the order of each Bank and otherwise appropriately completed, and evidence of the payment of all fees described in Section 2.03 hereof.

Section 7. Representations and Warranties. The Company represents and warrants to the Agent and each Bank that:

7.01 Corporate Existence. Each of the Company and each of its Subsidiaries: (a) is a corporation duly incorporated and validly existing under the laws of the jurisdiction of its incorporation; (b) has all requisite corporate power, and has all governmental licenses, authorizations, consents and approvals necessary to own its assets and carry on its business as now being conducted; and (c) is qualified to do business in all jurisdictions in which the nature

of the business conducted by it makes such qualification necessary. The Company is qualified to do business in Virginia, Tennessee, North Carolina and South Carolina, and each of the Subsidiaries listed in Schedule 1 is qualified to do business in the states indicated for such Subsidiary in Schedule 1.

7.02 Financial Condition. The audited consolidated balance sheet of the Company and the consolidated Subsidiaries as at January 2, 1995 and the related consolidated statements of operations, cash flows and changes in shareholders' equity of the Company and the consolidated Subsidiaries for the fiscal year ended on said date, with the opinion thereon of Price Waterhouse & Co., and the unaudited consolidated balance sheet of the Company and the consolidated Subsidiaries as at July 2, 1995 and the related consolidated statements of operations, cash flows and changes in Shareholders' equity of the Company and the consolidated Subsidiaries for the six-month period ended on such date, heretofore furnished to the Agent and each Bank, are complete and correct and fairly present the consolidated financial condition of the Company and the consolidated Subsidiaries as at said dates and the consolidated results of their operations for the fiscal year and six-month period ended on said dates, subject, in the case of such financial statements as at July 2, 1995, to normal year-end adjustments all in conformity with generally accepted accounting principles applied on a consistent basis. As at such dates, neither the Company nor any of its Subsidiaries had any material contingent liabilities, liabilities for taxes, unusual forward or long-term commitments or unrealized or anticipated losses from any unfavorable commitments, except as referred to or reflected or provided for in said balance sheets as at said dates and except as are not required by generally accepted accounting principles and practices to be disclosed on the financial statements referred to herein. Since January 2, 1995, there has been no material adverse change in the consolidated financial condition or operations, or the prospects or business taken as a whole, of the Company and its consolidated Subsidiaries from that set forth in said financial statements as at said date.

7.03 Litigation. Except as disclosed in Schedule 2 hereto, there are no legal or arbitral proceedings or any proceedings by or before any governmental or regulatory authority or agency, now pending or (to the best knowledge of the Company) threatened against the Company or any Subsidiary that could reasonably be expected to have a material adverse effect on the consolidated financial condition, business or results of operations taken as a whole, of the Company and its consolidated Subsidiaries or on the Company's ability to perform its obligations hereunder and under the Notes.

7.04 No Breach. None of the execution and delivery of this Agreement or the Notes, the consummation of the transactions herein or therein contemplated and compliance with the terms and provisions hereof and thereof will conflict with or result in a breach of, or require any consent under, (i) the certificate of incorporation or bylaws of the Company, (ii) any applicable law, rule or regulation, or any order, writ, injunction or decree of any court or governmental authority or agency, or (iii) any agreement or other instrument to which the Company or any Subsidiary is a party or by which its respective assets, revenues or other properties may be bound, or constitute a default under any such agreement or instrument, or result in the creation or imposition of any Lien upon any of the assets, revenues or other

properties of the Company or any Subsidiary pursuant to the terms of any such agreement or instrument.

7.05 Corporate Action. The Company has all necessary corporate power and authority to execute, deliver and perform its obligations under this Agreement and the Notes and to borrow the full amount of the Commitments; and the execution, delivery and performance by the Company of this Agreement and the Notes and the borrowing of the full amount of the Commitments have been duly authorized by all necessary corporate action on its part; and this Agreement has been duly and validly executed and delivered by the Company and constitutes, and the Notes when executed and delivered for value will constitute, the Company's legal, valid and binding obligation, enforceable in accordance with their respective terms, except as such enforceability may be limited by (a) applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws of general applicability affecting the enforcement of creditors' rights and (b) the application of general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

7.06 Approvals. No authorizations, approvals or consents of, and no filings or registrations with, any governmental or regulatory authority or agency are necessary for the execution, delivery or performance by the Company of this Agreement or the Notes or for the validity or enforceability thereof.

7.07 Use of Loans. Neither the Company nor any Subsidiary is engaged principally, or as one of its important activities, in the business of extending credit for the purpose, whether immediate, incidental or ultimate, of buying or carrying margin stock (within the meaning of Regulation U or X of the Board of Governors of the Federal Reserve System) and no part of the proceeds of the Loans hereunder will be used to buy or carry any margin stock. Without prejudice to the foregoing, the proceeds of the initial borrowing of the Loans will be used solely to refinance the loans outstanding under the Existing Term Loan Agreements.

7.08 ERISA. Each of the Company and the ERISA Affiliates has fulfilled all obligations under the minimum funding standards of ERISA and the Code with respect to each Plan, has paid, or, in accordance with ERISA and the Code, has accrued a liability for, all contributions requested on behalf of each Multiemployer Plan, is in compliance in all substantial respects with all applicable provisions of ERISA and the Code, and has not incurred any liability to the PBGC in excess of $25,000, except for premiums due, or any Plan or Multiemployer Plan except for claims for benefits or requirements for contributions, in either case made in accordance with the terms of such Plan or Multi-Employer Plan. Except as disclosed in Schedule 3 hereto, there are no disputes relating to ERISA or employee benefits or relations to which the Company or any of its Restricted Subsidiaries is a party and which if adversely determined would subject the Company or any of its Restricted Subsidiaries to any material liability.

7.09 Taxes. United States Federal income tax returns of the Company and the Subsidiaries have been examined and closed through the fiscal year of the Company ended December 31, 1987 (except with respect to Sunbelt Coca-Cola Bottling Company, Inc., which

income tax returns have been examined and closed through the fiscal year ended December 31, 1988 and Coca-Cola Bottling Company Affiliated, Inc., which income tax returns have been examined and closed through the fiscal year ended December 31, 1989). Each of the Company and the Subsidiaries has filed all United States Federal income tax returns and all other material tax returns which are required to be filed by it and has paid all taxes due pursuant to such returns or pursuant to any assessment received by the Company or any Subsidiary. The charges, accruals and reserves on the books of the Company and the Subsidiaries in respect of taxes and other governmental charges are, in the opinion of the Company, adequate.

7.10 Ownership. 29.67% of the shares of the Common Stock of the Company issued and outstanding as of the date hereof are owned, both beneficially and of record and free and clear of all Mortgages, directly by The Coca-Cola Company. All such shares of Common Stock have been legally and validly issued and are fully paid and non-assessable. Except as disclosed in Schedule 4 hereto, there are no outstanding options, warrants, rights, agreements, contracts, calls, commitments or demands of any character obligating or entitling either the Company or The Coca-Cola Company to sell, issue, redeem or repurchase any Capital Stock of the Company.

7.11 Ranking. The obligations of the Company under this Agreement and the Notes rank at least pari passu in right of payment and in all other respects with all other Indebtedness of the Company, except that any Debt of the Company, secured to the extent permitted by clauses (1), (2), (3), (4)(a) or (5) of Section 8.05 hereof, and any renewal of such Debt renewed and secured in accordance with clause (6) of said Section 8.05, may, solely with respect to the collateral securing such Debt, rank senior in right of security to the obligations of the Company under this Agreement and the Notes.

7.12 Investment Company Act. Neither the Company nor any of its Subsidiaries is, nor is any of them "controlled by", an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

7.13 Public Utility Holding Company Act. Neither the Company nor any of its Subsidiaries is a "holding company" nor is any of them a "subsidiary company" of a "holding company" within the meaning of the Public Utility Holding Company Act of 1935, as amended, nor is any of them a public utility under any applicable state law.

7.14 Compliance with Laws. To the best of the Company's knowledge the Company is in compliance with all applicable laws, ordinances and regulations, including, without limitation, all Environmental Laws and Health Laws, the failure to comply with which could have a material adverse effect on the business, operations or financial condition of the Company or any of its Subsidiaries.

7.15 Voting Agreement. Based upon information furnished to the Company by the parties to the Voting Agreement (as defined below in this Section 7.15), pursuant to the terms of a voting agreement among The Coca-Cola Company, J. Frank Harrison, Jr., J. Frank Harrison, III and Reid M. Henson, in his capacity as co-trustee of certain trusts holding shares of the

Company's Class B Common Stock, dated January 27, 1989 (the "Voting Agreement"), The Coca-Cola Company granted an irrevocable proxy with respect to any shares of Class B Common Stock or Common Stock owned by The Coca-Cola Company and any shares of Common Stock into which shares of Class B Common Stock are converted or exchanged to J. Frank Harrison, III, for life, and thereafter to J. Frank Harrison, Jr. Schedule 4 hereto contains a true and complete (in all material respects) description of the Voting Agreement.

7.16 Ownership of Property; Licenses. Each of the Company and each of its Restricted Subsidiaries has good record and marketable title to, or a valid leasehold interest in, all of its respective Principal Properties as shown on the financial statements referred to in Section 7.02 hereof and is licensed to use all relevant patents, trademarks, tradenames, technical information, technology, know-how, licenses, franchises and processes necessary for the normal operation and business of the Company or such Subsidiary.

7.17 Nature of Business. The Company and its Restricted Subsidiaries are engaged primarily in the business of bottling, canning, marketing and distribution of soft drinks, primarily products of The Coca-Cola Company and other beverages and activities related thereto (it being understood that certain Subsidiaries of the Company organized under the laws of the State of Delaware merely hold Bottle Contracts or Allied Bottle Contracts as their principal asset and are not operating Subsidiaries); provided, that notwithstanding the foregoing, the Company has acquired other businesses, assets and properties related or incidental to the foregoing which it may operate on a temporary or permanent basis. Not less than 80% of the annual revenues of the Company and its consolidated Subsidiaries are derived from the bottling, canning, marketing and distribution of products of The Coca-Cola Company and activities related thereto.

7.18 Bottle Contracts and Allied Bottle Contracts. The agreements identified in Schedule 5 are all of the material Bottle Contracts and Allied Bottle Contracts to which the Company or any Restricted Subsidiary is a party as of the date hereof. Each Bottle Contract and Allied Bottle Contract is in full force and effect and the Company and each of its Restricted Subsidiaries are in substantial compliance with the terms and conditions applicable to them contained in such Bottle Contracts and Allied Bottle Contracts.

7.19 Debt Instruments. The agreements identified in Schedule 6 are all of the agreements, bonds, debentures, notes and other instruments evidencing Debt in an original principal amount of greater than or equal to $5,000,000 of the Company or any of its Restricted Subsidiaries and in respect of which any of them is obligated, directly or contingently, as of the date hereof. Each of the Company and each of its Subsidiaries is in full compliance with the terms and conditions applicable to them contained in each such agreement, bond, debenture, note or other instrument.

Section 8. Covenants of the Company. The Company agrees that, so long as any Commitment is in effect and until payment in full of the Loans hereunder, all interest thereon and all other amounts payable by the Company hereunder and under the Notes:

8.01 Financial Statements. The Company shall deliver to the Agent, with a sufficient number of copies for each of the Banks:

(a) as soon as available and in any event within 60 days after the end of each of the first three fiscal quarterly periods of each fiscal year of the Company, unaudited consolidated statements of income, retained earnings and changes in financial position of the Company and the consolidated Subsidiaries for such period and for the period from the beginning of the respective fiscal year to the end of such period, and the related consolidated balance sheet as at the end of such period, setting forth in each case in comparative form the corresponding figures for the corresponding period in the preceding fiscal year, accompanied by an Officers' Certificate (which shall include the signature thereon of the chief financial officer of the Company), which certificate shall state that said financial statements fairly present the consolidated financial condition and results of operations of the Company and the consolidated Subsidiaries in accordance with generally accepted accounting principles, consistently applied (except for changes to which the Company's auditors have agreed), as at the end of, and for, such period (subject to normal year-end audit adjustments).

(b) as soon as available and in any event within 90 days after the end of each fiscal year of the Company, audited consolidated statements of income, retained earnings and changes in financial position of the Company and the consolidated Subsidiaries for such year and the related consolidated balance sheet as at the end of such year, setting forth in each case in comparative form the corresponding figures for the preceding fiscal year, and accompanied by an opinion thereon of Price Waterhouse & Co. or other comparable independent public accountants of recognized national standing, which opinion shall state that said financial statements fairly present the consolidated financial condition and results of operations of the Company and the consolidated Subsidiaries as at the end of, and for, such fiscal year, and a certificate of such accountants stating that, in making the examination necessary for their opinion, they obtained no knowledge, except as specifically stated, of any Default.

(c) at the time the Company furnishes each set of financial statements pursuant to paragraph (a) or (b) above, an Officers' Certificate (which shall include the signature thereon of the chief financial officer of the Company) (i) to the effect that, during the most recent fiscal quarter reported on such financial statement, no Default, Designated Event or Rating Decline has occurred and is continuing (or, if any Default, Designated Event or Rating Decline has occurred and is continuing, describing the same in reasonable detail), (ii) as long as the Revolving Credit Agreement is in effect, stating that the Company has during the most recent fiscal quarter complied with all of the terms of the NationsBank Credit Agreement (including, without limitation, any New Revolving Credit Agreement), (or if the Company has failed to comply in any respect with any of the foregoing, describing such failure to comply in reasonable detail) and (iii) setting forth in reasonable detail the computations necessary to determine whether the Company is in compliance with Sections 8.04, 8.05 and 8.06 hereof as of the end of the respective fiscal quarter or fiscal year.

(d) promptly upon their becoming available, copies of all registration statements and regular periodic reports, if any, which the Company shall have filed with the SEC (or any governmental agency substituted therefor) or any national securities exchange and copies of all press releases material to the Company's operations or financial condition issued by the Company or any of its Subsidiaries.

(e) promptly upon the mailing thereof to the shareholders of the Company generally, copies of all financial statements, reports and proxy statements so mailed.

(f) promptly (and in any event not later than 15 days) after the President or Chief Financial Officer of the Company knows that any Default has occurred, a notice of such Default, Designated Event or Rating Decline, stating that it is a "Notice of Default", "Notice of Designated Event" or "Notice of Rating Decline", as the case may be, and describing the same in reasonable detail.

(g) promptly (and in any event no later than 2 days) after any officer of the Company knows of any change in (or withdrawal or elimination of) the Company's Senior Debt Rating by either S&P or Moody's, notice of such change.

(h) from time to time such other information regarding the business, affairs or financial condition of the Company or any of the Subsidiaries as the Agent, at the request of any Bank, may reasonably request.

8.02 Corporate Existence, Etc. The Company shall, and shall cause each Subsidiary to: (a) preserve and maintain its corporate existence and all of its rights, privileges and franchises, provided that the Company shall not be required to preserve any such right or franchise if the Board of Directors shall determine that the preservation thereof is no longer desirable in the conduct of the business of the Company and its Subsidiaries as a whole, and provided further that the foregoing shall not prevent the Company from engaging in a merger or consolidation permitted by Section 8.04 hereof; (b) comply with the requirements of all applicable laws, rules, regulations and orders of governmental or regulatory authorities (including, without limitation, all Environmental Laws and all Health Laws) the failure to comply with which would have a material adverse effect on the business or financial condition of the Company and its Subsidiaries, taken as a whole; (c) pay and discharge all taxes, assessments and governmental charges or levies imposed on it or on its income or profits or on any of its property prior to the date on which penalties attach thereto, except for any such tax, assessment, charge or levy the payment of which is being contested in good faith and by proper proceedings and against which adequate reserves are being maintained and except that the failure to pay or discharge any such tax, assessment, governmental charge or levy in an amount or amounts which in the aggregate would not have material adverse effect on the business or financial condition of the Company and its Subsidiaries, taken as a whole, shall not be deemed to be a breach of this covenant; (d) maintain all of its Principal Properties used or useful in its business in good working order and condition, ordinary wear and tear excepted and except to the extent that failure to maintain any of such Principal Properties in good working order and condition would not have a material adverse effect on the business or financial condition of the Company and its

Subsidiaries, taken as a whole; (e) maintain proper books and records of account and permit representatives of the Agent and each Bank, during normal business hours, to examine and make extracts from its books and records, to inspect its properties, and to discuss its business and affairs with its officers, all to the extent reasonably requested by the Agent or such Bank with reasonable notice; and (f) keep insured by reputable insurers all property of a character usually insured by corporations of similar size engaged in the same or similar business against loss or damage of the kinds and in the amounts customarily insured against by such corporations and carry such other insurance as is usually carried by such corporations.

8.03 Use of Proceeds. The Company shall use the proceeds of the Loans made as part of the initial borrowing hereunder solely to refinance the entire principal amount of the loans outstanding under the Existing Term Loan Agreements and shall use the proceeds of the Loans made as a part of any subsequent borrowing solely for the Company's general corporate purposes (which shall include, without limitation, the repurchase of debt securities outstanding on the date of this Agreement), and in any event all proceeds of the Loans shall be used solely in compliance with Regulations G, T, U and X of the Board of Governors of the Federal Reserve System.

8.04 Mergers and Consolidations. The Company shall not consolidate with or merge into any other Person or convey or transfer all or substantially all of its assets, revenues and other properties as an entirety to any Person, whether in a single transaction or in a series of related transactions, unless:

(a) the Person formed by such consolidation or into which the Company is merged or the Person which acquires by conveyance or transfer the assets, revenues and other properties of the Company substantially as an entirety (the "Surviving Entity") shall be a corporation organized and existing under the laws of the United States of America, any State thereof or the District of Columbia and shall expressly assume, by an agreement supplemental hereto, executed and delivered to the Agent for the benefit of the Agent and the Banks in form satisfactory to the Agent, the due and punctual payment of the principal of and interest on all the Loans and Notes and all other amounts payable under this Agreement and the Notes and the performance and observance of every covenant of this Agreement on the part of the Company to be performed or observed;

(b) immediately after giving effect to such transaction, no Default or Event of Default shall have occurred and be continuing, nor shall any Rating Decline be likely to occur as an immediate consequence of such transaction (in the reasonable judgment of the Company's Board of Directors) and, without limiting the foregoing, The Coca-Cola Company shall directly own and continue to own, both beneficially and of record and free and clear of all Mortgages, and control at least 20% of the Common Stock of the Surviving Entity; and

(c) the Company has delivered to the Agent for the benefit of the Agent and the Banks an Officers' Certificate and an Opinion of Counsel in form and substance reasonably satisfactory to the Agent, each stating that such consolidation,

merger, conveyance or transfer and such supplemental indenture comply with this Section 8.04 and that all conditions precedent herein provided for relating to such transaction have been complied with.

Anything in this, Section 8.04 to the contrary notwithstanding, no such consolidation, merger, conveyance or transfer shall be entered into or made by the Company with or to another corporation which has outstanding any obligations secured by a Mortgage if, as a result of such consolidation, merger, conveyance or transfer, any Principal Property of the Company or any Restricted Subsidiary would be subjected to the lien of such Mortgage and such Mortgage is not expressly excluded from the restrictions or permitted by the provisions of Section 8.05 unless simultaneously therewith or prior thereto effective provision shall be made for the securing of all the Loans and the Notes (together with, if the Company shall so determine, any other Debt of the Company now existing or hereafter created which is not subordinated to the Loans and the Notes), equally and ratably with (or, at the option of the Company, prior to) the obligations secured by such Mortgage by a lien upon such Principal Property.

8.05 Restrictions on Debt. The Company will not itself, and will not permit any Subsidiary to, incur, issue, assume or guarantee any Debt, whether or not evidenced by negotiable instruments or securities, or any notes, bonds, debentures or other similar evidences of indebtedness for money borrowed, secured by any Mortgage on any Principal Property of the Company or any Subsidiary, or on any shares of Capital Stock or Debt of any Subsidiary, without effectively providing that the Loans and the Notes (together with, if the Company shall so determine, any other Debt of the Company or such Subsidiary then existing or thereafter created which is not subordinate to the Loans and the Notes) shall be secured equally and ratably with (or, at the option of the Company, prior to) such secured Debt, so long as such secured Debt shall be so secured, and will not permit any Subsidiary to, incur, issue, assume or guaranty any unsecured Debt or to issue any Preferred Stock, in each instance unless the aggregate amount of (A) all such Debt, (B) the aggregate preferential amount to which such Preferred Stock would be entitled on any involuntary distribution of assets and (C) Attributable Debt of the Company and its Subsidiaries in respect of sale and leaseback transactions (as defined in Section 8.06) would not exceed 10% of Consolidated Net Tangible Assets; provided, however, that this Section 8.05 shall not apply to, and there shall be excluded from Debt in any computation under this Section 8.05:

(1) Debt secured by Mortgages on property of, or on any shares of Capital Stock or Debt of, any corporation, and unsecured Debt of any corporation, existing at the time such corporation becomes a Subsidiary;

(2) Debt secured by Mortgages in favor of the Company or any Subsidiary and unsecured Debt payable to the Company or any Subsidiary;

(3) Debt secured by Mortgages in favor of the United States of America or any agency, department or other instrumentality thereof, to secure progress, advance or other payments pursuant to any contract or provision of any statute;

(4) (a) Debt secured by Mortgages on property (including, without limitation, shares of Capital Stock or Debt of any Subsidiary held by the Company existing at the time of acquisition thereof (including, without limitation, acquisition through merger or consolidation)) or to secure the payment of all or any part of the purchase price or construction cost thereof or to secure any Debt incurred prior to, at the time of, or within 120 days after, the acquisition of such property (or shares of Capital Stock or Debt) or the completion of any such construction for the purpose of financing all or any part of the purchase price or construction cost thereof, and (b) unsecured Debt incurred to finance the acquisition of any property (or shares of Capital Stock or Debt) other than shares of Capital Stock or Debt of the Company, or to finance construction on property incurred prior to, at the time of, or within 120 days after the later of the acquisition of such property or the completion of construction thereon;

(5) Debt secured by Mortgages securing obligations issued by a state, territory or possession of the United States, or any political subdivision of any of the foregoing or the District of Columbia, to finance the acquisition of or construction on property, and on which the interest is not, in the opinion of tax counsel of recognized standing or in accordance with a ruling issued by the Internal Revenue Service, includable in gross income of the holder by reason of Section 103(a)(1) of the Code (or any successor to such provision) as in effect at the time of the issuance of such obligations; and

(6) any extensions, renewal or replacement (or successive extensions, renewals or replacements), as a whole or in part, of any Debt referred to in the foregoing clauses (1) to (5), inclusive; provided, that (i) such extension, renewal or replacement, in the case of Debt secured by a Mortgage, shall be limited to all or a part of the same property, shares of Capital Stock or Debt that secured the Mortgage extended, renewed or replaced (plus improvements on such property), and (ii) the Debt secured by such Mortgage at such time is not increased;

and provided, further, that this Section 8.05 shall not apply to any issuance of Preferred Stock by a Subsidiary to the Company or another Subsidiary, provided that such Preferred Stock shall not thereafter be transferable to any Person other than the Company or a Subsidiary.

8.06 Restrictions on Sales and Leasebacks. The Company will not itself, and will not permit any Restricted Subsidiary to, enter into any transaction after the date hereof with any bank, insurance company, lender or other investor, or to which any such bank, insurance company, lender or investor is a party, providing for the leasing by the Company or a Restricted Subsidiary of any Principal Property which has been or is to be sold or transferred by the Company or such Restricted Subsidiary to such bank, insurance company, lender or investor, or to any person to whom funds have been or are to be advanced by such bank, insurance company, lender or investor on the security of such Principal Property (herein referred to as a "sale and leaseback transaction") unless, after giving effect thereto, the aggregate amount of all Attributable Debt with respect to such transactions plus all Debt to which Section 8.05 is applicable would not exceed 10% of Consolidated Net Tangible Assets. This covenant shall not

apply to, and there shall be excluded from Attributable Debt in any computation under this Section 8.06, Attributable Debt with respect to any sale and leaseback transaction if:

(1) the lease in such sale and leaseback transaction is for a period, including renewal rights, of not in excess of three years, or

(2) the Company or a Restricted Subsidiary, within 180 days after the sale or transfer shall have been made by the Company or by a Restricted Subsidiary, applies an amount not less than the greater of the net proceeds of the sale of the Principal Property leased pursuant to such arrangement or the fair market value of the Principal Property so leased at the time of entering into such arrangement (as determined in any manner approved by the Board of Directors) to (a) the retirement of Funded Debt of the Company ranking on a parity with the Loans or the retirement of Funded Debt of a Restricted Subsidiary; provided, however, that the amount to be applied to the retirement of such Funded Debt of the Company or a Restricted Subsidiary shall be reduced by (x) the principal amount of the Loans or Notes (or other notes or debentures constituting such Funded Debt) that are prepaid in accordance with Section 3.03 hereof or are delivered within such 180-day period to the applicable trustee for retirement and cancellation and (y) the principal amount of such Funded Debt, other than items referred to in the preceding clause (x), voluntarily retired by the Company or a Restricted Subsidiary within 180 days after such sale; and provided, further, that, notwithstanding the foregoing, no retirement referred to in this clause (a) may be effected by payment at maturity or pursuant to any mandatory sinking funds payment or any mandatory prepayment provision, or (b) the purchase of other property which will constitute a Principal Property having a fair market value, in the opinion of the Board of Directors of the Company, at least equal to the fair market value of the Principal Property leased in such sale and leaseback transaction less the amount of any Funded Debt retired pursuant to clause (a) of this subsection, or

(3) such sale and leaseback transaction is entered into prior to, at the time of, or within 180 days after the later of the acquisition of the Principal Property or the completion of construction thereon, or

(4) the lease in such sale and leaseback transaction secures or relates to obligations issued by a state, territory or possession of the United States, or any political subdivision of any of the foregoing, or the District of Columbia, to finance the acquisition of or construction on property, and on which the interest is not, in the opinion of tax counsel of recognized standing or in accordance with a ruling issued by the Internal Revenue Service, includable in gross income of the holder by reason of Section 103(a)(1) of the Code (or any successor to such provision) as in effect at the time of the issuance of such obligations, or

(5) such sale and leaseback transaction is entered into between the Company and a Restricted Subsidiary or between Restricted Subsidiaries.

8.07 Ranking. The Company will ensure that at all times its obligations under this Agreement and the Notes continue to rank at least pari passu in right of payment and in all other respects with all other Indebtedness of the Company, except that any Debt of the Company, secured to the extent permitted by clauses (1), (2), (3), (4)(a) or (5) of Section 8.05 hereof, and any renewal of such Debt renewed and secured in accordance with clause (6) of said Section 8.05, may, solely with respect to the collateral securing such Debt, rank senior in right of security to the obligations of the Company under this Agreement and the Notes.

8.08 Business. The Company will not, and will not permit any of its Restricted Subsidiaries to, engage primarily in any business other than that described in the first sentence of Section 7.17 hereof and the Company shall, and shall cause each of its Restricted Subsidiaries to, maintain in full force and effect each Bottle Contract disclosed in Schedule 5 hereof, provided, however, that the Company may, in the normal course of its business, modify, amend or replace any such Bottle Contract or any term thereof if, in the discretion of the Company's Board of Directors, such modification, amendment or replacement is desirable and in furtherance of the business of the Company and would not have a material adverse effect on the business or financial condition of the Company and its Subsidiaries, taken as a whole; and, provided further, that notwithstanding the terms of this Section 8.08 the Company may, through acquisition, either temporarily or permanently, acquire other businesses, assets and properties, related or incidental to its business described in the first sentence of Section 7.17 hereof.

8.09 New Revolving Credit Agreement. At a reasonable time prior to the execution thereof, the Company shall deliver to the Agent and the Banks a copy of any proposed New Revolving Credit Agreement.

Section 9. Events of Default. If one or more of the following events (herein called "Events of Default") shall occur and be continuing:

(a) The Company shall fail to pay any principal of the Loans or Notes when due; or the Company shall fail to pay any interest or any other amount payable by it under this Agreement or under the Notes and such failure shall not be fully remedied within 30 days after the date when due; or

(b) The Company or any Restricted Subsidiary shall fail to pay when due any principal of or interest on any bond, debenture, note or other Indebtedness (other than under this Agreement) having an aggregate principal amount of $1,000,000 (or its equivalent in other currencies) or more and such failure shall continue after the expiry of any grace period; or any event of default specified in any bond, debenture, note, agreement, indenture or other document evidencing or relating to any such Indebtedness shall occur if the effect of such event is to cause, or to permit the holder or holders of such Indebtedness (or a trustee or agent on behalf of such holder or holders) to cause, such Indebtedness to become due prior to its stated maturity; or any Indebtedness of the Company or any of its Restricted Subsidiaries is declared to be or otherwise becomes due prior to its stated maturity; provided, however, that if such default or acceleration under such evidence of Indebtedness, indenture or other instrument shall be cured by the

Company, or be waived by the holders of such indebtedness, in each case as may be permitted by such evidence of Indebtedness, indenture or other instrument, the Event of Default hereunder by reason of such default shall be deemed likewise to have been thereupon cured or waived; provided, further, that, for purposes of this Section 9(b), the term "Indebtedness" shall in any event include the NationsBank Revolving Credit Agreement, irrespective of the aggregate outstanding principal amount of loans outstanding thereunder; or

(c) Any representation or warranty made herein by the Company or any officer of the Company or in any certificate furnished to the Agent or any Bank pursuant to the provisions hereof or thereof, shall have been false or misleading as of the time made or furnished in any material respect; or

(d) The Company shall default in the performance of any of its obligations under Section 8.01(f), 8.02(a), 8.03 or 8.04, hereof; or the Company shall default in the performance of any of its other obligations in this Agreement and such default shall continue unremedied for a period of 60 days after written notice (by registered or certified mail) of such default is given to the Company; or

(e) The Company or any Restricted Subsidiary shall (i) apply for or consent to the appointment of, or the taking of possession by, a receiver, custodian, trustee or liquidator of itself or of all or a substantial part of its property, (ii) make a general assignment for the benefit of its creditors, (iii) commence a voluntary case under any relevant bankruptcy code or similar law (as now or hereafter in effect), (iv) file a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding-up, or composition or readjustment of debts, (v) fail to controvert in a timely and appropriate manner, or acquiesce in writing to, any petition filed against it in an involuntary case under any relevant bankruptcy code or similar law (as now or hereafter in effect), or (vi) admit in writing its inability to pay its debts generally as they become due, or (vii) take any corporate action for the purpose of effecting any of the foregoing; or

(f) A proceeding or case shall be commenced, without the application or consent of the Company or any Restricted Subsidiary, in any court of competent jurisdiction, seeking (i) its liquidation, reorganization, dissolution or winding-up, or the composition or readjustment of its debts, (ii) the appointment of a trustee, receiver, custodian, liquidator or the like of the Company or such Subsidiary or of all or any substantial part of its assets, or (iii) similar relief in respect of the Company or such Subsidiary under any law relating to bankruptcy, insolvency, reorganization, winding-up, or composition or adjustment of debts, and such proceeding or case shall continue undismissed, or an order, judgment or decree approving or ordering any of the foregoing shall be entered and continue unstayed and in effect, for a period of 60 days; or an order for relief against the Company or any Subsidiary shall be entered in an involuntary case under any relevant bankruptcy code or similar law (as now or hereafter in effect); or

(g) A final judgment or judgments for the payment of money in excess of $10,000,000 in the aggregate shall be rendered by a court or courts against the Company and/or any Restricted Subsidiary and the same shall not be discharged (or bona fide negotiations in good faith shall not be in progress seeking such discharge), or a stay of execution thereof shall not be procured, within 60 days from the date of entry thereof and the Company or the relevant Subsidiary shall not, within said period of 60 days, or such longer period during which execution of the same shall have been stayed, appeal therefrom and cause the execution thereof to be stayed during such appeal; or

(h) The Coca-Cola Company shall fail to directly own, both beneficially and of record and free and clear of all Mortgages, and control at least 20% of the Common Stock of the Company and such failure shall continue unremedied for a period of 90 days after the date on which such failure occurred; or

(i) Any Trigger Event shall occur and shall continue for a period of 40 days after the occurrence thereof;

THEREUPON: (1) in the case of an Event of Default other than one referred to in clause (e), (f), or (i) of this Section 9, the Agent may, and upon instructions from Banks holding 25% of the aggregate outstanding principal amount of the Loans shall, by written notice to the Company, cancel the Commitments and/or declare the principal amount then outstanding of and the accrued interest on the Loans and the Notes and all other amounts payable by the Company hereunder and under the Notes to be forthwith due and payable, whereupon such amounts shall be immediately due and payable without presentment, demand, protest or other formalities of any kind (other than the notice expressly provided for above in this subclause (1)), all of which are hereby expressly waived by the Company; and (2) in the case of an Event of Default referred to in clause (e) or (f) of this Section 9, the Commitments shall be automatically canceled and the principal amount then outstanding of, and the accrued interest on, the Loans and all other amounts payable by the Company hereunder and under the Notes shall become automatically immediately due and payable without presentment, demand, protest or other formalities of any kind, all of which are hereby expressly waived by the Company; and (3) in the case of an Event of Default referred to in clause (i) of this Section 9, on the date 80 days after notice by the Agent to the Company of the occurrence of such Event of Default, whether or not such Event of Default shall then be continuing, the Commitments shall be automatically cancelled and the principal amount then outstanding of, and accrued interest on, the Loans and all other amounts payable by the Company hereunder and under the Notes shall become automatically due and payable without presentment, demand, protest or other formalities of any kind (other than the notice expressly provided for above in this subclause (3)), all of which are hereby expressly waived by the Company. In the event that the Agent gives notice to the Company of the occurrence of an Event of Default referred to in clause (i) of this Section 9 and, during the 80-day period following the giving of such notice, another Event of Default shall occur under any of the clauses of this Section 9, the Agent and the Banks shall have all remedies available to them in respect of such subsequent Event of Default under subclause (1) or (2) of the preceding sentence, under applicable law or otherwise without regard to such 80-day period.

At any time after such a declaration of acceleration (but not after an acceleration pursuant to clause (2) or (3) of the preceding sentence) has been made and before a judgment or decree for payment of the money due has been obtained by the Agent or any Bank, the Banks, by written notice to the Company and the Agent, may (but shall not be obligated to) rescind and annul such declaration and its consequences if:

(1) the Company has paid

(A) all overdue interest on all Loans and Notes,

(B) to the extent that payment of such interest is lawful, interest upon overdue principal and interest at the rate or rates prescribed therefor in this Agreement, and

(C) all sums paid or advanced by the Agent hereunder and the reasonable compensation, expenses, disbursements and advances of the Agent, its agents and counsel;

and

(2) all Events of Default, other than the non-payment of principal which have become due solely by such declaration of acceleration, have been cured or waived as provided in Section 11.04 hereof.

No such rescission shall affect any subsequent default or impair any right consequent thereon.

Section 10. The Agent.

10.01 Appointment, Powers and Immunities. Each Bank hereby irrevocably appoints and authorizes the Agent to act as its agent hereunder with such powers as are specifically delegated to the Agent by the terms of this Agreement, together with such other powers as are reasonably incidental thereto. The Agent (which term as used in this sentence and in Section 10.05 and the first sentence of Section 10.06 hereof shall include reference to its affiliates; and its own and its affiliates' officers, directors, employees and agents): (a) shall have no duties or responsibilities except those expressly set forth in this Agreement, and shall not by reason of this Agreement be a trustee or other fiduciary for any Bank; (b) shall not be responsible to the Banks for any recitals, statements, representations or warranties contained in this Agreement, or in any certificate or other document referred to or provided for in, or received by any of them under, this Agreement, or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement, any Note or any other document referred to or provided for herein or therein or for any failure by the Company or any other Person to perform any of its obligations hereunder or thereunder; (c) shall not be required to initiate or conduct any litigation or collection proceedings hereunder; and (d) shall not be responsible for any action taken or omitted to be taken by it hereunder or under any other document or instrument referred to or provided for herein or in connection herewith, except for its own gross negligence or willful mis-

conduct. The Agent may employ agents and attorneys-in-fact and shall not be responsible for the negligence or misconduct of any such agents or attorneys-in-fact selected by it in good faith. The Agent may deem and treat the payee of any Note as the holder thereof for all purposes hereof unless and until a written notice of the assignment or transfer thereof shall have been filed with the Agent.

10.02 Reliance by Agent. The Agent shall be entitled to rely upon any certification, notice or other communication (including any thereof by telephone, telex, telegram, facsimile or cable) believed by it to be genuine and correct and to have been signed or sent by or on behalf of the proper Person or Persons, and upon advice and statements of legal counsel, independent accountants and other experts selected by the Agent. As to any matters not expressly provided for by this Agreement, the Agent shall in all cases be fully protected in acting, or in refraining from acting, hereunder in accordance with instructions signed by the Required Banks, and such instructions of the Required Banks and any action taken or failure to act pursuant thereto shall be binding on all of the Banks.

10.03 Defaults. The Agent shall not be deemed to have knowledge of the occurrence of a Default (other than the nonpayment of principal of or interest on the Loans) unless the Agent has received notice from a Bank or the Company specifying such Default and stating that such notice is a "Notice of Default". In the event that the Agent receives such a notice of the occurrence of a Default, the Agent shall give prompt notice thereof to the Banks (and shall give each Bank prompt notice of each such nonpayment). The Agent shall (subject to Section 10.07 hereof) take such action with respect to such Default as shall be directed by the Required Banks, provided that, unless and until the Agent shall have received such directions, the Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default as it shall deem advisable in the best interest of the Banks.

10.04 Rights as a Bank. With respect to the Commitment, Loans and Notes held by it, LTCB (and any, successor acting as Agent) in its capacity as a Bank hereunder shall have the same rights and powers hereunder as any, other Bank and may exercise the same as though it (or its affiliates) were not acting as the Agent, and the term "Bank" or "Banks" shall, unless the context otherwise indicates, include the Agent in its individual capacity. LTCB (and any successor acting as Agent) and its affiliates may (without having to account therefor to any Bank) accept deposits from, lend money to and generally engage in any kind of banking, trust or other business with the Company (and any of its affiliates) as if it (or its affiliate) were not acting as the Agent, and LTCB and its affiliates may accept fees and other consideration from the Company for services in connection with this Agreement or otherwise without having to account for the same to the Banks.

10.05 Indemnification. The Banks agree to indemnify the Agent (to the extent not reimbursed under Section 11.03 hereof, but without limiting the obligations of the Company under said Section 11.03), ratably in accordance with the aggregate principal amount of the Loans held by the Banks (or, if no Loans are at the time outstanding, ratably in accordance with their respective Commitments, or, if no Loans or Commitments are then outstanding, ratably in accordance with the principal amount of the Loans held by each of them immediately prior to the

payment thereof in full), for any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind and nature whatsoever which may be imposed on, incurred by or asserted against the Agent in any way relating to or arising out of this Agreement or any other documents contemplated by or referred to herein or the transactions contemplated hereby (including, without limitation, the costs and expenses which the Company is obligated to pay under Section 11.03 hereof) or the enforcement of any of the terms hereof or of any such other documents, provided that no Bank shall be liable for any of the foregoing to the extent they arise from the gross negligence or willful misconduct of the party to be indemnified.

10.06 Non-Reliance on Agent and other Banks. Each Bank agrees that it has, independently and without reliance on the Agent or any other Bank, and based on such documents and information as it has deemed appropriate, made its own credit analysis of the Company and its Affiliates and decision to enter into this Agreement and that it will, independently and without reliance upon the Agent or any other Bank, and based on such documents and information as it shall deem appropriate at the time, continue to make its own analysis and decisions in taking or not taking action under this Agreement. The Agent shall not be required to keep itself informed as to the performance or observance by the Company of this Agreement or any other document referred to or provided for herein or to inspect the properties or books of the Company or any of its Affiliates. Except for notices, reports and other documents and information expressly required to be furnished to the Banks by the Agent hereunder, the Agent shall not have any duty or responsibility to provide any Bank with any credit or other information concerning the affairs, financial condition or business of the Company or any of its Affiliates which may come into the possession of the Agent or any of its affiliates.

10.07 Failure to Act. Except for action expressly required of the Agent hereunder, the Agent shall in all cases be fully justified in failing or refusing to act hereunder unless it shall be indemnified to its satisfaction by the Banks against any and all liabilities and expenses which may be incurred by it by reason of taking or continuing to take any such action.

10.08 Resignation or Removal of Agent. Subject to the appointment and acceptance of a successor Agent as provided below, the Agent may resign at any time by giving notice thereof to the Banks and the Company and the Agent may be removed at any time with or without cause by the Required Banks. Upon any such resignation or removal, the Required Banks shall have the right, with the consent of the Company (which consent shall not be unreasonably withheld), to appoint a successor Agent. If no successor Agent shall have been so appointed by the Required Banks and shall have accepted such appointment within 30 days after the retiring Agent's giving of notice of resignation or the Required Banks' removal of the retiring Agent, then the retiring Agent may, on behalf of the Banks, appoint a successor Agent, which shall be a bank which has an office in New York, New York and which has a combined capital and surplus of at least $100,000,000. Upon the acceptance of any appointment as Agent hereunder by a successor Agent, such successor Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Agent, and the retiring Agent shall be discharged from its duties and obligations hereunder. After any retiring Agent's

resignation or removal hereunder as Agent, the provisions of this Section 10 shall continue in effect for its benefit in respect of any actions taken or omitted to be taken by it while it was acting as the Agent.

10.09 Agent's Office. The Agent acts initially through the New York office of LTCB Trust Company, but may hereafter change the office at which it performs its functions as Agent to any other office of itself or any of its affiliates (including, without limitation, to any office of LTCB) by giving prompt subsequent notice to the Company and the Banks.

Section 11. Miscellaneous.

11.01 Waiver. No failure on the part of the Agent or any Bank to exercise and no delay in exercising, and no course of dealing with respect to, any right, power or privilege under this Agreement or the Notes shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege under this Agreement or the Notes preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The remedies provided herein are cumulative and not exclusive of any remedies provided by law.

11.02 Notices. All notices and other communications provided for herein (including, without limitation, any modifications of, or waivers or consents under, this Agreement or the Notes) shall be given or made by telex, telecopy, telegraph, cable or in writing and telexed, telecopied, telegraphed, cabled, mailed or delivered to the intended recipient at the "Address for Notices" specified below its name on the signature pages hereof; or, as to any party, at such other address as shall be designated by such party in a notice to the other parties. Except as otherwise provided in this Agreement, all such communications shall be deemed to have been duly given when transmitted by telex or telecopier, delivered to the telegraph or cable office or personally delivered or, in the case of a mailed notice, upon receipt, in each case given or addressed as aforesaid; provided that any such communication which is not received during normal business hours of the recipient shall be deemed to be duly given at the opening of business on its next business day.

11.03 Expenses. Whether or not any Loan is made hereunder, the Company agrees, promptly upon request by the Agent or any Bank therefor from time to time, to pay or reimburse the Agent and each Bank for paying: (a) all reasonable out-of-pocket costs and expenses of the Agent (including, without limitation, the reasonable fees and expenses of Christy & Viener, special New York counsel to the Agent and the Banks, and of all other outside counsels to the Agent and the Banks) in connection with (i) the preparation, execution and delivery of this Agreement and the Notes and the making of the Loans hereunder and the consummation of the transactions contemplated hereby and thereby, and any costs or expenses of the Agent in connection with the syndication of this Agreement (whether before or after the date of the initial borrowing hereunder) and (ii) any amendment, modification or waiver of any of the terms of this Agreement or the Notes; (b) all reasonable out-of-pocket costs and expenses of the Agent and each Bank (including, without limitation, the reasonable fees and expenses of all outside counsels to the Agent or such Bank and all court costs) in connection with the enforcement of or exercise or preservation of any rights of the Agent or such Bank under this

Agreement or the Notes; (c) all transfer, stamp, documentary or other similar taxes, assessments or charges levied by any governmental or revenue authority in any jurisdiction in respect of this Agreement or the Notes or any other document referred to herein; (d) all normal administrative costs and expenses of the Agent incident to the performance of its agency duties hereunder; and (e) all reasonable fees and expenses of counsel to the Agent and the Banks in connection with the syndication (whether by assignment or participation), after the date on which the Loans are made, of its Commitment and Loans under this Agreement. The Company hereby agrees to indemnify the Agent and each Bank and its respective directors, officers, employees, counsels and agents from, and hold each of them harmless against, any and all losses, liabilities, claims, damages or expenses incurred by any of them arising out of or by reason of any investigation or litigation or other proceedings (including any threatened investigation or litigation or other proceedings) relating to any actual or proposed use by the Company or any of its Affiliates of the proceeds of the Loans, including, without limitation, the reasonable fees and expenses of counsel incurred in connection with any such investigation or litigation or other proceedings (but excluding any such losses, liabilities, claims, damages or expenses incurred solely by reason of the gross negligence or willful misconduct of the Person to be indemnified).

11.04 Amendments. Any provision of this Agreement may be modified, amended or (unless 25% of the Banks shall theretofore have given notice to the Agent of their instructions to cancel the Commitments and/or declare all amounts due hereunder immediately due and payable pursuant to Section 9 hereof) waived, but only in writing signed by the Company, the Agent and the Required Banks; provided that any modification, amendment or waiver that would (a) extend the date fixed for the payment of principal of or interest on any of the Loans or any other amounts payable hereunder or under the Notes, (b) reduce any payment of principal of or interest on any of the Loans or any other amounts payable hereunder or under the Notes, (c) reduce the rate at which interest is payable hereunder or under the Notes, or (d) change this Section 11.04 or the definition of “Required Banks” in Section 1.01 hereof or otherwise change the number of parties hereto whose approval or consent is necessary for any modification, amendment or waiver of any of the terms of, or any other action under, this Agreement or the Notes, shall be in writing signed by the Company, the Agent and all of the Banks. The Agent or any Bank may grant or withhold its consent to any requested modification, amendment or waiver at its sole discretion.

11.05 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

11.06 Assignments and Participations.

(a) The Company may not assign its rights or obligations hereunder or under the Notes without the prior written consent of the Agent and all of the Banks.

(b) Any Bank may assign to any bank or other financial institution all or any portion of its Commitment, Loans or Notes without the consent of the Company or the Agent; provided that any assignment of less than the full Commitment, Loans or Notes held by a Bank shall be in an aggregate principal amount of not less than $10,000,000. Prior and as a condition

precedent to the effectiveness of any such assignment, the Bank that is the assignor of such assignment shall pay to the Agent for its own account a non-refundable recordation fee of $3,000. Each assignee shall have, to the extent of such assignment (unless otherwise provided in such assignment), the obligations, rights and benefits of a "Bank" hereunder holding the Commitment and Loans (or portions thereof) assigned to it.

(c) Any Bank may sell to one or more other banks or financial institutions a participation in all or any part of its Commitment, Loans and Notes. Such Bank shall remain responsible for its performance under this Agreement, shall remain the holder of its Note for all purposes under this Agreement, and the Agent and the Company shall continue to deal solely and directly with such Bank, in connection with such Bank's rights and obligations under this Agreement. No participant shall be entitled to receive any greater payment pursuant to Section 5.01 or 5.05 hereof than the Bank selling such participant's participation would have been entitled to receive with respect to the rights subject to the relevant participation. The participant's rights against the Bank selling such participant's participation in respect of such participation shall be those set forth in the agreement (the "Participation Agreement") executed by such Bank in favor of such participant. In no event shall a Bank grant a participation that conveys to the participant the right to vote under this Agreement, except that a Bank may agree in the Participation Agreement that it will not, without the consent of the participant, agree to (i) the extension of any date fixed for the payment of principal of or interest on the Loan or other amounts payable hereunder or under the Notes held by such Bank, (ii) the reduction of any payment of principal thereof or other amounts payable hereunder or under the Notes held by such Bank, or (iii) the reduction of the rate at which interest is payable thereon to a level below the rate at which the participant is entitled to receive interest or fee (as the case may be) in respect of such participation.

(d) Any Bank may furnish any information concerning the Company or any of its Subsidiaries or other Affiliates in the possession of such Bank (other than, without the prior written consent of the Company, any information with respect to Piedmont Coca-Cola Bottling Partnership) from time to time to assignees and participants (including prospective assignees and participants).

(e) In addition to the assignments and participations permitted under the foregoing provisions of this Section 11.06, any Bank may assign or pledge all or any portion of its Loans and its Notes to any Federal Reserve Bank as collateral security pursuant to Regulation A of the Board of Governors of the Federal Reserve System or any operating circular issued by such Federal Reserve Bank.

11.07 Survival. Without limiting the survival of any other provisions of this Agreement or the Notes, the obligations of the Company under Sections 5.01, 5.04, 5.05 and 11.03 hereof and of the Banks under Section 10.05 hereof shall survive the repayment of the Loans and the termination of the Commitments.

11.08 Captions. Captions and section headings appearing herein are included solely for convenience of reference and are not intended to affect the interpretation of any provision of this Agreement.

11.09 Counterparts. This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and` the same instrument and any of the parties hereto may execute this Agreement by signing any such counterpart.

11.10 **GOVERNING LAW. THIS AGREEMENT AND THE NOTES SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.**

11.11 **JURISDICTION AND SERVICE OF PROCESS. (A) ANY SUIT, ACTION OR PROCEEDING AGAINST THE COMPANY WITH RESPECT TO THIS AGREEMENT, THE LOANS OR THE NOTES OR ANY JUDGMENT ENTERED BY ANY COURT IN RESPECT THEREOF MAY BE BROUGHT IN THE SUPREME COURT OF THE STATE OF NEW YORK, COUNTY OF NEW YORK, IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK, OR IN ANY STATE OR FEDERAL COURT SITTING IN NORTH CAROLINA (COLLECTIVELY, THE "SUBJECT COURTS"), AS THE AGENT OR ANY BANK MAY ELECT IN ITS SOLE DISCRETION AND THE COMPANY HEREBY IRREVOCABLY SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF EACH OF THE SUBJECT COURTS FOR THE PURPOSE OF ANY SUCH SUIT, ACTION, PROCEEDING OR JUDGMENT. THE COMPANY HEREBY AGREES THAT SERVICE OF ALL WRITS, PROCESS AND SUMMONSES IN ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN THE STATE OF NEW YORK MAY BE MADE UPON CT CORPORATION SYSTEM (THE "NEW YORK PROCESS AGENT"), CURRENTLY LOCATED AT 1633 BROADWAY, NEW YORK, NEW YORK 10019. THE COMPANY HEREBY IRREVOCABLY APPOINTS THE NEW YORK PROCESS AGENT AS ITS AGENT TO ACCEPT SERVICE OF ANY AND ALL SUCH WRITS, PROCESS OR SUMMONSES, AND AGREES THAT THE FAILURE OF SUCH PROCESS AGENT TO GIVE NOTICE OF ANY SUCH SERVICE TO THE COMPANY SHALL NOT IMPAIR OR AFFECT THE VALIDITY OF SUCH SERVICE OR OF ANY JUDGMENT BASED THEREON. THE COMPANY HEREBY FURTHER IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS IN ANY SUIT, ACTION OR PROCEEDING IN ANY OF THE SUBJECT COURTS BY THE MAILING THEREOF BY THE AGENT OR ANY BANK BY REGISTERED OR CERTIFIED MAIL, POSTAGE PREPAID, TO THE COMPANY ADDRESSED AS PROVIDED IN SECTION 11.02 HEREOF. NOTHING HEREIN SHALL IN ANY WAY BE DEEMED TO LIMIT THE ABILITY OF THE AGENT OR ANY BANK TO SERVE ANY WRITS, PROCESS OR SUMMONSES IN ANY OTHER MANNER PERMITTED BY APPLICABLE**

LAW OR TO BRING PROCEEDINGS AGAINST THE COMPANY IN ANY COMPETENT COURT OF ANY OTHER JURISDICTION OR JURISDICTIONS, AND IN SUCH MANNER, AS MAY BE PERMITTED BY APPLICABLE LAW.

(B) THE COMPANY HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT IT MAY NOW OR HEREAFTER HAVE TO TRIAL BY JURY IN, AND ANY OBJECTION WHICH IT NOW OR HEREAFTER MAY HAVE TO THE LAYING OF VENUE OF, ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF THIS AGREEMENT OR ANY NOTE BROUGHT IN ANY OF THE SUBJECT COURTS, AND HEREBY FURTHER IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY CLAIM THAT ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN ANY OF THE SUBJECT COURTS HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

11.12 Severability. Any provision of this Agreement or the Notes that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or thereof or affecting the validity or enforceability of such provision in any other jurisdiction.

11.13 Waiver of Stay or Extension Law. The Company covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law wherever enacted, now or at any time hereafter in force, which may affect the covenants or the performance of this Agreement or the Notes; and the Company (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law and covenants that it will not hinder, delay or impede the execution of any power herein granted to the Agent or any Bank,

but will suffer and permit the execution of every such power as though no such law had been enacted.

The parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

COCA-COLA BOTTLING CO. CONSOLIDATED

By /s/ BRENDA B. JACKSON

Title: **Vice President & Treasurer**

Address for Notices:

1900 Rexford Road
Charlotte, North Carolina 28211

Telecopier No.: (704) 551-4451

Telephone No.: (704) 551-4565

Attention: Ms. Brenda B. Jackson

with a copy to:

Witt, Gaither & Whitaker
1100 American National Bank Building
Chattanooga, Tennessee 37402-2606
Attention: Geoffrey G. Young, Esq.

LTCB TRUST COMPANY, as Agent

By _____

Title:

Address for Notices:

165 Broadway
New York, New York 10006

Telex No.: 425722 LTCB UI

Telecopier No.: (212) 608-3081

Telephone No.: (212) 355-4854

Attention: Winston Brown

with a copy to:

The Long-Term Credit Bank of Japan, Ltd.
245 Peachtree Center Avenue, N.E.
Suite 2801
Atlanta, Georgia 30303

Telecopier No.: (404) 658-9751

Telephone No.: (404) 659-7210

Attention: Mr. Philip Marsden

$ 40,000,000.00

LTCB TRUST COMPANY, as lender

By _____

Title:

Lending Office:

165 Broadway
New York, New York 10006

Address for Notices:

165 Broadway
New York, New York 10006

Telex No.: 425722 LTCB UI

Telecopier No.: (212) 608-3081

Telephone No.: (212) 335-4854

Attention: Winston Brown

with a copy to:

The Long-Term Credit Bank of Japan, Ltd.
245 Peachtree Center Avenue, N.E.
Suite 2801
Atlanta, Georgia 30303

Telecopier No.: (404) 658-9751

Telephone No.: (404) 659-7210

Attention: Mr. Philip Marsden

$ 33,000,000.00

SUNTRUST BANK, as lender

By _____

Title:

By _____

Title:

Lending Office:

25 Park Place
24th Floor
Atlanta, Georgia 30303

Address for Notices:

P.O. Box 4418
Mail Code 120
Atlanta, Georgia 30302

Telex No.: 544210 TRUSCO INT ATL

Telecopier No.: (404) 827-6270

Telephone No.: (404) 230-5162

Attention: Mr. Raymond King
Vice President

$ 18,000,000.00

THE SAKURA BANK, LIMITED, as lender

By _____

Title:

Lending Office:

245 Peachtree Center Avenue, N.E.
Suite 2703
Atlanta, GA 30303

Address for Notices:

245 Peachtree Center Avenue, N.E.
Suite 2703
Atlanta, GA 30303

Telecopier No.: (404) 521-1133

Telephone No.: (404) 521-3111

Attention: Mr. J. Hutchins Corbett
Assistant Vice President

$ 15,000,000.00

COMMERZBANK AG, as lender

By _____

Title:

By _____

Title:

Lending Office:

1230 Peachtree Street, N.E.
Suite 3500
Atlanta, Georgia 30309

Address for Notices:

1230 Peachtree Street, N.E.
Suite 3500
Atlanta, Georgia 30309

Telecopier No.: (404) 888 6539

Telephone No.: (404) 888 6517

Attention: Mr. Eric Kagerer

$ 14,000,000.00

DG BANK, as lender

By _____

Title:

By _____

Title:

Lending Office:

One Peachtree Center
Suite 2900
303 Peachtree Street, N.E
Atlanta, Georgia 30303

Address for Notices:

One Peachtree Center
Suite 2900
303 Peachtree Street, N.E.
Atlanta, Georgia 30303

Telecopier No.: (404) 524-4006

Telephone No.: (404) 524-3966

Attention: Mr. William Bartlett
Vice President

$ 10,000,000.00

THE CHUO TRUST & BANKING CO., LTD., as lender

By _____

Title:

Lending Office:

2 World Trade Center
Suite 8322
New York, New York 10048

Address for Notices:

2 World Trade Center
Suite 8322
New York, New York 10048

Telecopier No.: (212) 466-1140

Telephone No.: (212) 938-2715

Attention: Mr. Eric Seely
Vice President

$ 10,000,000.00

CREDIT LYONNAIS, as lender

By _____

Title:

Lending Office:

One Peachtree Center
Suite 4400
303 Peachtree Street, N.E
Atlanta, GA 30308

Address for Notices:

One Peachtree Center
Suite 4400
303 Peachtree Street, N.E.
Atlanta, GA 30308

Telecopier No.: (404) 584-5249

Telephone No.: (404) 524-3700

Attention: Mr. David Edge
Vice President

$ 10,000,000.00

SOCIETE GENERALE, as lender

By _____

Title:

Lending Office:

4800 Trammell Crow Center
2001 Ross Avenue
Dallas, Texas 75201

Address for Notices:

4800 Trammell Crow Center
2001 Ross Avenue
Dallas, Texas 75201

Telecopier No.: (214) 979-1104

Telephone No.: (214) 979-2777

Attention: Mr. Ralph Saheb

$ 10,000,000.00

THE CHIBA BANK, LTD., as lender

By _____

Title:

Lending Office:

1133 Avenue of the Americas
15th Floor
New York, New York 10036

Address for Notices:

1133 Avenue of the Americas
15th Floor
New York, New York 10036

Telecopier No.: (212) 354-8575

Telephone No.: (212) 354-8390

Attention: Mr. Carmen Augustino
Vice President

$ 10,000,000.00

THE INDUSTRIAL BANK OF JAPAN, LIMITED,
ATLANTA AGENCY, as lender

By _____

Title:

Lending Office:

One Ninety One Peachtree Tower
Suite 3600
191 Peachtree Street, N.E.
Atlanta, Georgia 30303-1757

Address for Notices:

One Ninety One Peachtree Tower
Suite 3600
191 Peachtree Street, N.E.
Atlanta, Georgia 30303-1757

Telecopier No.: (404) 577-6818

Telephone No.: (404) 524-8770

Attention: Business Operations Department

EXHIBIT A

PROMISSORY NOTE

_____, 1995

$_____ New York, New York

FOR VALUE RECEIVED, Coca-Cola Bottling Co. Consolidated, a Delaware corporation (the "Company"), hereby promises to pay to the order of [Name of Bank] (the "Bank"), for account of its Applicable Lending Office provided for in the Loan Agreement referred to below, at account no. 04 203606 of LTCB Trust Company, as agent for the Bank (in such capacity, the "Agent") at Bankers Trust Company, New York, New York, ABA No. 021001033, ref.: "Coca-Cola Bottling Co. Consolidated" (or at such other account or at such other place in New York City as the Agent may notify the Company from time to time), the principal sum of _____Dollars, in lawful money of the United States of America and in immediately available funds, without set-off, counterclaim or deduction of any kind, in two equal, consecutive installments, the first of which shall be in the amount of _____ ($_____) (or such lesser amount as shall equal the full remaining principal amount of the Loans of the Bank outstanding under the Loan Agreement) and shall be payable on _____, 2002 (or if such day is not a Business Day, as defined in the Loan Agreement, on the next succeeding Business Day, unless such next succeeding Business Day falls in a different calendar month, in which case the next preceding Business Day), and the second of which shall be in the amount of_____ ($_____)(or such other amounts as shall equal the full remaining principal amount of the Loans of the Bank outstanding under the Loan Agreement) and shall be payable on _____, 2003 (or if such day is not a Business Day, as defined in the Loan Agreement, on the next succeeding Business Day, unless such next succeeding Business Day falls in a different calendar month, in which case the next preceding Business Day), and to pay interest on the unpaid principal amount of this Note, at such office, in like money, manner and funds, for the period commencing on the date of this Note until this Note shall be paid in full, at the rates per annum and on the dates provided in the Loan Agreement.

The duration of each Interest Period for the Loan evidenced hereby and the amount of each payment or prepayment made on account of the principal thereof shall be recorded by the Bank on its books and, prior to any transfer of this Note, endorsed by the Bank on the schedule attached hereto or any continuation thereof, provided that no failure by the Bank to make, or delay in making, such recording or endorsement shall affect the obligations of the Company under this Note.

This Note is one of the Notes referred to in the Loan Agreement dated as of November , 1995 (as amended and in effect from time to time, the "Loan Agreement") among the Company, the banks named therein (including the Bank), and LTCB Trust Company, as Agent, providing for Loans to the Company in Dollars, and evidences a Loan made by the Bank thereunder. Except as otherwise expressly defined in this Note, capitalized terms used in this Note have the respective meanings assigned to them in the Loan Agreement.

The Loan Agreement provides for the acceleration of the maturity of this Note upon the occurrence of certain events and for prepayments of the Loans upon the terms and conditions specified therein.

The Company agrees to pay all costs of collection in case default is made in any payment under this Note.

The Company hereby waives diligence, presentment, protest and all notices and demands whatsoever in respect of this Note.

THIS NOTE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

COCA-COLA BOTTLING CO.
CONSOLIDATED

By _____

Title:

Amount Paid or Prepaid	Unpaid Interest Period	Principal Amount	Notation Made By

EXHIBIT B

[Form of Opinion of Counsel to the Company]

_____, 19 ___

To the Agent and Banks
parties to the Loan
Agreement referred
to below

Gentlemen:

We have acted as counsel to Coca-Cola Bottling Co. Consolidated, a Delaware corporation (the "Company"), in connection with the Loan Agreement dated as of November ___, 1995 (the "Loan Agreement") among the Company, the banks named therein (the "Banks") and LTCB Trust Company as agent for the Banks (in such capacity, the "Agent"), which provides, among other things, for loans to be made to the Company in the aggregate principal amount of up to $170,000,000. Capitalized terms used herein and not defined herein have the meanings assigned to them by or pursuant to the terms of the Loan Agreement.

In rendering the opinion hereinafter set forth, we have examined executed copies of the Loan Agreement and the Notes and we have examined and relied upon originals or photostatic or certified copies of such corporate records, certificates of officers of the Company, certificates or telexes of public officials, and such other agreements, documents and instruments as we have deemed relevant and necessary as the basis for the opinions hereinafter expressed. In such examination, we have assumed the genuineness of all signatures of all parties (other than those on behalf of the Company to the extent we have witnessed them), the conformity to original documents of all copies submitted to us as certified, conformed or photostatic copies and the legal competence of each individual (other than officers of the Company) executing any document. As to any opinion below relating to the existence, qualification or good standing of any corporation in any jurisdiction, our opinion relies entirely upon and is limited by those certificates of public or governmental officials obtained in connection therewith and delivered to you and assumes that such certificates were accurate and properly given.

We have relied, in whole or in part, upon representations of the management of the Company and have assumed, without independent inquiry, the completeness and accuracy of those representations as to all matters of fact (including factual conclusions and characterizations and descriptions of purpose, intention or other state of mind) regarding the Company relevant to:

the opinion as to breach, default or creation of any Mortgage expressed in paragraph 2; the opinion as to the execution and delivery of the Loan Agreement and the Notes (only insofar as we have not witnessed the same, and not as to the capacity of the signing officers) expressed in paragraph 3; the opinion expressed in paragraph 4, other than as to proceedings of which we are aware; and the facts supporting the legal conclusions in paragraphs 6 and 7.

The opinions herein are limited to the federal laws of the United States, the laws of the States of Tennessee and North Carolina and the corporate laws of the State of Delaware, and without limiting the foregoing, no opinion is expressed herein with respect to the laws of any other jurisdiction or with respect to the effect of any such laws on the matters with respect to which opinions are given herein. We are opining solely on those items expressly stated herein and no opinion should otherwise be implied from the text hereof. Except as otherwise expressly provided herein, we are relying solely on the written documents effectuating the transaction and are neither considering nor expressing an opinion regarding the effects, if any, of any parol evidence, oral or written, that a court might consider. When the opinions expressed herein are subject to a knowledge standard, this means the actual knowledge of our attorneys.

Each opinion set forth below relating to the enforceability of any agreement or instrument against the Company is subject to the following general qualifications:

(i) as to any instrument delivered by the Company, we assume that the Company has received the agreed upon consideration therefor;

(ii) as to any agreement to which the Company is a party, we assume that such agreement has been duly executed by and is the binding obligation of each other party thereto;

(iii) the validity, binding nature or enforceability of any obligation of the Company may be limited by bankruptcy, insolvency, reorganization, moratorium, marshalling or other laws affecting the enforcement generally of creditors' rights and remedies (including such as may deny giving effect to waivers of debtors' or guarantors' rights);

(iv) the validity, binding nature or enforceability of any obligation or term of the Loan Agreement or the Notes may be subject to general principles of equity, whether at law or in equity; and

(v) the acceptance by the North Carolina courts of the jurisdiction of the courts of New York and the waiver of the right to jury trial, and the necessity of the Agent or the Banks to qualify to do business in North Carolina in order to enforce the Loan Agreement or the Notes may be subject to the discretion of the court before which any proceeding raising such issues may be brought.

Based upon the foregoing, we are of the opinion that:

1. The Company is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware, is duly qualified to transact business in the States of Delaware, Tennessee, Virginia, North Carolina and South Carolina and has the

necessary corporate power to make and perform the Loan Agreement and the Notes and to borrow under the Loan Agreement.

2. The making and performance by the Company of the Loan Agreement and the Notes, the borrowing of the full amount of the Commitments under the Loan Agreement and the consummation of the other transactions contemplated by each of the foregoing have been duly authorized by all necessary corporate action (including, without limitation, any necessary shareholder action); do not and will not violate any provision of its certificate of incorporation or bylaws; do not violate any provision of law or regulation applicable to the Company or any of its assets, revenues or other properties; and do not and will not result in the breach of, or constitute a default or require any consent under, or result in the creation of any Mortgage upon any of the assets, revenues or other properties of the Company or any of its Subsidiaries pursuant to, any indenture, loan or credit agreement, guaranty, mortgage, security agreement, bond, note or other agreement or instrument to which the Company or any Subsidiary is a party or by which the Company or any Subsidiary or its respective assets, revenues or other properties may be bound where the occurrence of which either individually or in the aggregate could reasonably be expected to have a material adverse effect on the business, operations, properties, assets or financial condition of the Company.

3. Each of the Loan Agreement and the Notes has been duly executed and delivered by the Company and, if North Carolina law were to be applied to the Loan Agreement and the Notes notwithstanding the choice of New York law to apply thereto, constitutes the legal, valid and binding obligation of the Company enforceable in accordance with its respective terms.

4. Except as disclosed in Schedule 2 to the Loan Agreement, there are no legal or arbitral proceedings, and no proceedings by or before any governmental or regulatory authority or agency, pending or (to the best of our knowledge) threatened against or affecting the Company or any Subsidiary, or any properties or rights of the Company or any Subsidiary, which could reasonably be expected to have a material adverse effect on the ability of the Company to perform its obligations under the Loan Agreement or the Notes.

5. No authorizations, consents, approvals or licenses of, or filings or registrations with, any governmental or regulatory authority or agency are required in connection with the execution, delivery or performance by the Company of the Loan Agreement or the Notes.

6. Neither the Company nor any of its Subsidiaries is, nor is any of them “controlled by”, an “investment company” within the meaning of the Investment Company Act of 1940, as amended.

7. Neither the Company nor any of its Subsidiaries is a “holding company”, nor is any of them a “subsidiary company” of a “holding company”, within the meaning of the

Public Utility Holding Company Act of 1935, as amended, nor is any of them a public utility under any North Carolina law.

8. In accordance with current interpretations of applicable North Carolina law and assuming that the Agent and each Bank only have executed, delivered and performed under the Loan Agreement and the Notes and have taken no other actions pursuant to the transactions herein discussed or otherwise which would require them to qualify to do business in the State of North Carolina, in order for the Agent or any Bank to enforce its rights under the Loan Agreement and the Notes in the North Carolina courts, it is not necessary for the Agent or any Bank to qualify to do business, as a foreign bank or otherwise, in the State of North Carolina, nor will any of them be deemed to be doing business in North Carolina solely by reason of the execution, delivery or performance by any party of the Loan Agreement or the Notes.

9. In accordance with current interpretations of applicable North Carolina law, the choice of New York law to govern the Loan Agreement and the Notes is a valid choice of law and should be given effect by the courts of North Carolina.

We point out the enforceability of the indemnity provisions contained in the Loan Agreement may be limited by applicable securities laws or public policy.

The opinion set forth above is solely for the benefit of the Agent and the Banks and that of their respective counsels, successors and assigns, may not be quoted, circulated or published, in whole or in part, or furnished to or relied upon in any manner by any other Person without our prior written authorization. Furthermore, this opinion is given to you as of the date hereof and we assume no obligation to advise you of changes that may hereafter be brought to our attention.

Very truly yours,

Exhibit 4.5

EXECUTION COPY

AMENDMENT NO. 1, dated as of July 22, 1997, to the LOAN AGREEMENT, dated as of November 20, 1995 (the "Loan Agreement"), among COCA-COLA BOTTLING CO. CONSOLIDATED, a corporation duly organized and validly existing under the laws of the State of Delaware (the "Company"); the financial institutions named therein as lenders (the "Banks"); and LTCB TRUST COMPANY, a trust company organized under the laws of the State of New York, as agent on behalf of the Banks (in such capacity, the "Agent").

WHEREAS, pursuant to the Loan Agreement, the Banks have made loans to the Borrower in an aggregate principal amount of $170,000,000;

WHEREAS, the Company has requested that the Banks agree to extend the maturity of said loans; and

WHEREAS, the Banks are willing to extend such maturity on the terms and conditions set forth in this Amendment No. 1;

NOW, THEREFORE, in consideration of the premises and mutual covenants contained herein, the parties hereto hereby agree as follows:

SECTION 1. **Certain Defined Terms.** Except as otherwise expressly provided in this Amendment No. 1, capitalized terms defined in the Loan Agreement and used herein shall have their respective defined meanings when used herein.

SECTION 2. **Amendments.** Effective upon the Amendment No. 1 Effective Date (as defined in Section 3 of this Amendment No. 1), the Loan Agreement is hereby amended as follows:

1. In Section 1.01 of the Loan Agreement, the definition of the term "Indebtedness" shall be amended to add to the end of clause (a) thereof but before the semicolon the following phrase:

, except that indebtedness and obligations of the Company or any Subsidiary of the type described in this clause (a), to the extent held by the Company or another Subsidiary, shall not be included in the definition of "Indebtedness" for any purpose of this Agreement other than Sections 7.11 and 8.07 hereof

2. In Section 1.01 of the Loan Agreement, the definition of the term "Interim Maturity Date" shall be amended to read in its entirety as follows:

"Interim Maturity Date" shall mean July 22, 2004; provided that if such date is not a Business Day, the Interim Maturity Date shall be the next succeeding Business Day, unless such next succeeding Business Day falls in a subsequent

calendar month, in which case the Interim Maturity Date shall be the next preceding Business Day.

3. In Section 1.01 of the Loan Agreement, the definition of the term "Loan Documents" shall be amended to read in its entirety as follows:

"Loan Documents" shall mean this Agreement (including, without limitation, Amendment No. 1 hereto), the Notes, the fee letter dated November 20, 1995 between the Agent and the Company, and the Letter of Authorization dated April 11, 1997 between the Agent and the Company.

4. In Section 1.01 of the Loan Agreement, the definition of the term "Maturity Date" shall be amended to read in its entirety as follows:

"Maturity Date" shall mean July 22, 2005; provided that if such date is not a Business Day, the Maturity Date shall be the next succeeding Business Day, unless such next succeeding Business Day falls in a subsequent calendar month, in which case the Maturity Date shall be the next preceding Business Day.

5. In Section 1.01 of the Loan Agreement, the definition of "Voting Shares" shall be amended to read in its entirety as follows:

"Voting Shares" shall mean (a) with respect to a corporation, Capital Stock of the class or classes having general voting power under ordinary circumstances for the election of the board of directors, managers or trustees or similar governing body thereof (irrespective of whether at the time stock of any other class or classes shall have or might have voting power by reason of the happening of any contingency); (b) with respect to a limited partnership or a general partnership, the interest of each general partner therein; (c) with respect to a limited liability company, such membership interests as are empowered either to vote with respect to the management of such limited liability company or to elect or appoint the manager of the limited liability company; and (d) with respect to any other type of entity, such voting interests therein as may be comparable to the Capital Stock of a corporation of the class or classes described in clause (a) of this definition (irrespective of whether at the time interests of any other class or classes shall have or might have voting power by reason of the happening of any contingency).

6. In Section 7.02 of the Loan Agreement, each reference to "January 2, 1995" shall be amended to read "December 29, 1996", and each reference to "July 2, 1995" shall be amended to read "March 30, 1997".

7. Section 7.01 of the Loan Agreement shall be amended to read in its entirety as follows:

7.01 Existence. Each of the Company and each of its Subsidiaries: (a) if it is a corporation, is duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation, and if it is any other type of entity, is duly organized, validly existing and in good standing under the laws of the jurisdiction in which it has been established; (b) has all requisite power and has all governmental licenses, authorizations, consents and approvals necessary to own its assets and carry on its business as now being conducted; and (c) if it is (1) a limited partnership or a general partnership, either it or its general partner or general partners (as required by the law of each applicable jurisdiction) is qualified to do business in all jurisdictions in which the nature of the business conducted by the Company or such Subsidiary, as the case may be, makes such qualification necessary, and (2) any other type of business entity (including, without limitation, a corporation or a limited liability company), it is qualified to do business in all jurisdictions in which the nature of the business conducted by it makes such qualification necessary. The Company is qualified to do business in Virginia, Tennessee, North Carolina and South Carolina, and each of the Subsidiaries listed in Schedule 1 is qualified to do business in the states indicated for such Subsidiary in Schedule l.

8. Sections 7.03, 7.08, 7.10, 7.15, 7.18 and 7.19 of the Loan Agreement are hereby replaced in their entirety as follows:

7.03 Litigation. Except as disclosed in Schedule 2 hereto, there are no legal or arbitral proceedings or any proceedings by or before any governmental or regulatory authority or agency, now pending or (to the best knowledge of the Company) threatened against the Company or any Subsidiary that could reasonably be expected to have a material adverse effect on the consolidated financial condition, business or results of operations taken as a whole, of the Company and its consolidated Subsidiaries or on the Company's ability to perform its obligations hereunder and under the Notes.

7.08 ERISA. Each of the Company and the ERISA Affiliates has fulfilled all obligations under the minimum funding standards of ERISA and the Code with respect to each Plan, has paid, or, in accordance with ERISA and the Code, has accrued a liability for, all contributions requested on behalf of each Multiemployer Plan, is in compliance in all substantial respects with all applicable provisions of ERISA and the Code, and has not incurred any liability to the PBGC in excess of $25,000, except for premiums due, or any Plan or Multiemployer Plan except for claims for benefits or requirements for contributions, in either case made in accordance with the terms of such Plan or Multi-Employer Plan. Except as disclosed in Schedule 3 hereto, there are no disputes relating to ERISA or employee benefits or relations to which the Company or any of its Restricted Subsidiaries is a party and which if adversely determined would subject the Company or any of its Restricted Subsidiaries to any material liability.

7.10 Ownership. 29.67% of the shares of the Common Stock of the Company issued and outstanding as of the date hereof are owned, both beneficially and of record and free and clear of all Mortgages, directly by The Coca-Cola Company. All such shares of Common Stock have been legally and validly issued and are fully paid and non-assessable. Except as disclosed in Schedule 4 hereto, there are no outstanding options, warrants, rights, agreements, contracts, calls, commitments or demands of any character obligating or entitling either the Company or The Coca-Cola Company to sell, issue, redeem or repurchase any Capital Stock of the Company.

7.15 Voting Agreement. Based upon information furnished to the Company by the parties to the Voting Agreement (as defined below in this Section 7.15), pursuant to the terms of a voting agreement among The Coca-Cola Company, J. Frank Harrison, Jr., J. Frank Harrison, III and Reid M. Henson, in his capacity as co-trustee of certain trusts holding shares of the Company's Class B Common Stock, dated January 27, 1989 (the "Voting Agreement"), The Coca-Cola Company granted an irrevocable proxy with respect to any shares of Class B Common Stock or Common Stock owned by The Coca-Cola Company and any shares of Common Stock into which shares of Class B Common Stock are converted or exchanged to J. Frank Harrison, III, for life, and thereafter to J. Frank Harrison, Jr. Schedule 4 hereto contains a true and complete (in all material respects) description of the Voting Agreement.

7.18 Bottle Contracts and Allied Bottle Contracts. The agreements identified in Schedule 5 are all of the material Bottle Contracts and Allied Bottle Contracts to which the Company or any Restricted Subsidiary is a party as of the date hereof. Each Bottle Contract and Allied Bottle Contract is in full force and effect and the Company and each of its Restricted Subsidiaries are in substantial compliance with the terms and conditions applicable to them contained in such Bottle Contracts and Allied Bottle Contracts.

7.19 Debt Instruments. The agreements identified in Schedule 6 are all of the agreements, bonds, debentures, notes and other instruments evidencing Debt in an original principal amount of greater than or equal to $5,000,000 of the Company or any of its Restricted Subsidiaries and in respect of which any of them is obligated, directly or contingently, as of the date hereof. Each of the Company and each of its Subsidiaries is in full compliance with the terms and conditions applicable to them contained in each such agreement, bond, debenture, note or other instrument.

9. In Section 8.01(a) of the Loan Agreement, the words "the chief financial officer of the Company" shall be amended to read "the chief financial officer or (if authorized by the Company for such function) the vice president/treasurer of the Company".

10. In Section 8.01(c) of the Loan Agreement, the words "the chief financial officer of the Company" shall be amended to read "the chief financial officer or (if authorized by the Company for such function) the vice president/treasurer of the Company".

11. The heading of Section 8.02 of the Loan Agreement shall be changed to read "Legal Existence, Etc.", and in clause (a) of said Section, the words "its corporate existence" shall be amended to read "its legal existence as a corporation, general partnership, limited partnership or limited liability company, as the case may be for the Company or such Subsidiary,".

12. The proviso to the first sentence of Section 11.06(b) of the Loan Agreement shall be amended to read in its entirety as follows:

provided that any assignment of less than the full Commitment, Loans or Notes held by a Bank, if made to a Person that was not a Bank (or an affiliate of a Bank) immediately prior to such assignment, shall be in an aggregate principal amount of not less than $10,000,000.

13. Schedules 1, 2, 3, 4, 5 and 6 to the Loan Agreement are hereby replaced by Schedules 1, 2, 3, 4, 5, and 6, respectively, to this Amendment No. 1.

14. Each reference in the Loan Agreement to "this Agreement" and the words "hereof", "herein", "hereto" and the like shall be deemed to refer to the Loan Agreement as amended by this Amendment No. 1, but references to "the date hereof" and "the date of this Agreement" shall continue to refer to the date of the Loan Agreement (being November 20, 1995), except that in the definition of "Common Stock" in Section 1.01, and in Sections 7.10, 7.18 and 7.19 of the Loan Agreement, references to "the date hereof" shall refer to the date of this Amendment No. 1, and in the definition of "Restricted Subsidiary" in Section 1.01, the last reference to "the date hereof" shall refer to the date of this Amendment No. 1.

SECTION 3. **Conditions Precedent.** The effectiveness of the amendments set forth in Section 2 of this Amendment No. 1 is subject to the fulfillment of the following conditions precedent to the satisfaction of the Agent Bank (the date on which all of the foregoing conditions are so fulfilled being called the "Amendment No. 1 Effective Date"):

A. The Agent Bank shall have received each of the following documents, each of which shall be satisfactory to the Agent in form and substance, and (except for the New Notes, as defined below) shall be accompanied by sufficient copies for the Agent and each Bank.

1. Counterparts of this Agreement which, when taken together, bear the signatures of the Company, the Agent and all of the Banks.

2. New Notes in substantially the form of Exhibit A to this Amendment No. 1, duly executed and delivered by the Company to the order of each Bank and otherwise appropriately completed (said Notes being referred to in this Amendment No. 1 as the "New Notes").

3. An Officers' Certificate (which shall include the signature thereon of the Secretary of the Company), dated the Amendment No. 1 Effective Date, containing certified copies of the certificate of incorporation and bylaws and all other organizing documents of the Company and all corporate action taken by the Company approving this

Amendment No. 1, the Loan Agreement as amended hereby and the New Notes and the performance of its obligations hereunder and thereunder (including, without limitation, a certificate setting forth the resolutions of the Board of Directors of the Company adopted in respect of the transactions contemplated hereby and thereby and any shareholder action taken in respect thereof). The foregoing corporate documents and/or corporate action shall include evidence of the authority of the vice president/treasurer of the Company to issue the certificates contemplated by Sections 8.01 (a) and 8.01(c) of the Loan Agreement as amended hereby.

4. Good standing certificates for the Company from the States of Delaware, Tennessee, Virginia, North Carolina and South Carolina and good standing certificates for each of the Subsidiaries listed in Schedule 1 to the Loan Agreement from the states of their respective incorporation and from each state in which such Subsidiary is doing business, as set forth in said Schedule 1.

5. An Officers' Certificate (which shall include the signature thereon of the Secretary of the Company), dated the Amendment No. 1 Effective Date, in respect of each of the officers who is authorized to sign this Amendment No. 1 and the New Notes on its behalf.

6. An Officers' Certificate to the effect set forth in Section 3(B) hereof.

7. An opinion of Witt, Gaither & Whitaker, special counsel to the Company, substantially in the form of Exhibit B hereto.

8. Evidence of the payment to the Agent of all fees described in the Letter of Authorization dated April 11, 1997 between the Agent and the Company.

9. An Officers' Certificate stating that the Senior Debt Rating of the Company by Moody's is at least Baa3 and by S&P is at least BBB-.

10. Such other opinions and other documents as the Agent or any Bank may reasonably request.

B. On and as of the Amendment No. 1 Effective Date, and both before and after giving effect to the amendments provided for in Section 2 hereof, as of the date of the Loans to be made as part of such borrowing and after giving effect thereto: (a) no Default or Rating Decline shall have occurred and be continuing; and (b) the representations and warranties made by the Company in the Agreement as remade pursuant in Section 4 of this Amendment No. 1 shall be true and correct in all material respects.

SECTION 4. **Representations and Warranties.** The Borrower hereby remakes, on and as of the Amendment No. 1 Effective Date, both before and after giving effect to each of the amendments provided for in this Amendment No. 1, each of the representations and warranties of the Borrower in the Loan Agreement as amended hereby and in each other document referred to herein or therein.

SECTION 5. **Miscellaneous.**

1. Acknowledgment of Principal Amount of Debt. The Company hereby acknowledges that the Banks have made Loans to it under the Loan Agreement in the aggregate principal amount of $170,000,000, all of which aggregate principal amount is outstanding and unpaid on the date hereof.

2. Governing Law. This Amendment No. 1 and the Loan Agreement as amended hereby shall be governed by, and construed in accordance with, the laws of the State of New York.

3. Counterparts. This Amendment No. 1 may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument, and any of the parties hereto may executed this Amendment No. 1 by signing any such counterpart.

4. Full Force and Effect. Except as expressly provided in Section 2 of this Amendment No. 1, the Loan Agreement shall remain unmodified and in full force and effect.

5. Expenses. Without limiting the obligations of the Company under the Loan Agreement, the Company agrees to pay and to reimburse the Agent for paying, forthwith upon any request therefor by the Agent, all fees and disbursements of special counsel to the Agent in connection with the preparation, execution, delivery and administration of this Amendment No.1, the Loan Agreement as amended hereby and each of the other documents contemplated hereby and thereby (including, without limitation, all drafts of documents, whether or not utilized) and the consummation of the transactions contemplated hereby and thereby.

6. New Notes. The Company acknowledges and agrees that the New Notes are "Notes" as defined in the Loan Agreement as amended hereby, and are subject to all the benefits thereof.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment No. 1 as of the day and year first above written.

COCA-COLA BOTTLING CO. CONSOLIDATED

By /s/ WILLIAM B. ELMORE

Title: **Vice President and Treasurer**

LTCB TRUST COMPANY, as Agent

By _____

Title:

SECTION 5. **Miscellaneous.**

1. Acknowledgment of Principal Amount of Debt. The Company hereby acknowledges that the Banks have made Loans to it under the Loan Agreement in the aggregate principal amount of $170,000,000, all of which aggregate principal amount is outstanding and unpaid on the date hereof.

2. Governing Law. This Amendment No. 1 and the Loan Agreement as amended hereby shall be governed by, and construed in accordance with, the laws of the State of New York.

3. Counterparts. This Amendment No. 1 may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument, and any of the parties hereto may executed this Amendment No. 1 by signing any such counterpart.

4. Full Force and Effect. Except as expressly provided in Section 2 of this Amendment No. 1, the Loan Agreement shall remain unmodified and in full force and effect.

5. Expenses. Without limiting the obligations of the Company under the Loan Agreement, the Company agrees to pay and to reimburse the Agent for paying, forthwith upon any request therefor by the Agent, all fees and disbursements of special counsel to the Agent in connection with the preparation, execution, delivery and administration of this Amendment No.1, the Loan Agreement as amended hereby and each of the other documents contemplated hereby and thereby (including, without limitation, all drafts of documents, whether or not utilized) and the consummation of the transactions contemplated hereby and thereby.

6. New Notes. The Company acknowledges and agrees that the New Notes are "Notes" as defined in the Loan Agreement as amended hereby, and are subject to all the benefits thereof.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment No. 1 as of the day and year first above written.

COCA-COLA BOTTLING CO. CONSOLIDATED

By _____

Title:

LTCB TRUST COMPANY, as Agent

By /s/ Illegible

Title: SVP

Exhibit 4.6

Unless this certificate is presented by an authorized representative of the Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

COCA-COLA BOTTLING CO. CONSOLIDATED
7.20% DEBENTURES DUE 2009
CUSIP No. 191098 A06
(Hereinafter "Securities")

$100,000,000

COCA-COLA BOTTLING CO CONSOLIDATED, a corporation duly organized and existing under the laws of the State of Delaware (herein called the "Company", which term includes any successor corporation under the Indenture hereinafter referred to), for value received, hereby promises to pay to Cede & Co., or registered assigns, the principal sum of One Hundred Million Dollars ($100,000,000) on July 1, 2009, and to pay interest thereon from July 7,1997 or from the most recent Interest Payment Date to which interest has been paid or duly provided for, semiannually on January 1 and July 1 in each year, commencing January 1, 1998 at the rate of 7.20% per annum, until the principal hereof is paid or made available for payment, and (to the extent that the payment of such interest shall be legally enforceable) at the rate of 7.20% per annum on any overdue principal and premium and on any overdue installment of interest. Interest payments on this Security will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in the Indenture, be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest, which shall be the December 15 or June 15 (whether or not a Business Day), as the case may be, next preceding such Interest Payment Date. Any such interest not so punctually paid or duly provided for will forthwith cease to be payable to the Holder on such Regular Record Date and may either be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be fixed by the Trustee, notice whereof shall be given to Holders of Securities of this series not less than 11 days prior to such Special Record Date, or be paid at any time in any other lawful manner not inconsistent with the requirement of any securities exchange on which the Securities of this series may be listed, and upon such notice as may be required by such exchange, all as more fully provided in the Indenture

Payment of the principal of (and premium, if any) and any such interest on this Security will be made at the office or agency of the Company maintained for that purpose in the Borough of Manhattan, The City of New York, New York, in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts; provided, however, that at the option of the Company payment of interest may be made by check mailed to the address of the Person entitled thereto as such address shall appear in the Security Register.

The defeasance provisions of Sections 1302 and 1303 of the Indenture will apply to this Debenture.

This Security is one of a duly authorized issue of securities of the Company, issued and to be issued in one or more series under an Indenture, dated as of July 20, 1994, as supplemented and restated by a Supplemental Indenture dated March 3, 1995 (as supplemented, herein called the "Indenture"), between the Company and NationsBank of Georgia, National Association, as Trustee (herein called the "Trustee", which term includes Citibank, N.A., which succeeded to all of the rights, powers, duties and obligations of the initial trustee under the Indenture by agreement of all parties, effective September 15, 1995, as well as any subsequent successor trustee under the Indenture), to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Company, the Trustee and the Holders of the Securities and of the terms upon which the Securities are, and are to be, authenticated and delivered. This Security is one of the series designated on the face hereof limited in aggregate principal amount to $100,000,000.

If an Event of Default with respect to Securities of this series shall occur and be continuing, the principal of the Securities of this series may be declared due and payable in the manner and with the effect provided in the Indenture.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Holders of the Securities of each series to be affected under the Indenture at any time by the Company and the Trustee with the consent of the Holders of not less than a majority in principal amount of the Securities at the time Outstanding of each series to be affected. The Indenture also contains provisions permitting the Holders of specified percentages in principal amount of the Securities of each series at the time Outstanding, on behalf of the Holders of all Securities of such series, to waive compliance by the Company with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Security shall be conclusive and binding upon such Holder and upon all future Holders of this Security and of any Security issued upon the registration of transfer hereof or in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this Security.

No reference herein to the Indenture and no provision of this Security or of the Indenture shall alter or impair the right of the Holder of this Security, which is absolute and unconditional, to receive payment of the principal of (and premium, if any) and interest on this Security at the times, place and rate, and in the coin or currency, herein prescribed.

As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Security is registrable in the Security Register, upon surrender of this Security for registration of transfer at the office or agency of the Company in any place where the principal of (and premium, if any) and interest on this Security are payable, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed by the Holder hereof or his attorney duly authorized in writing, and thereupon one or more new Securities of this series and of like tenor, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees.

The Securities of this series are issuable only in registered form without coupons in denominations of $1,000 and any integral multiples of $1,000 in excess thereof. As provided in the Indenture and subject to certain limitations therein set forth, Securities of this series are exchangeable for a like aggregate principal amount of Securities of this series and of like tenor of a different authorized denomination, as requested by the Holder surrendering the same.

No service charge shall be made for any such registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Prior to due presentment of this Security for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name this Security is registered as the owner hereof for all purposes, whether or not this Security be overdue, and neither the Company, the Trustee nor any such agent shall be affected by notice to the contrary.

All terms used in this Security which are defined in the Indenture shall have the meanings assigned to them in the Indenture.

Unless the certificate of authentication hereon has been executed by the Trustee by manual signature, this Security shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed under its corporate seal.

Dated : July 7, 1997

Certificate of Anthentication:

This is one of the Securities of the series designated herein referred to in the within-mentioned Indenture.

Citibank, N.A., as Trustee

By: /s/ Illegible

Authorized Officer

COCA-COLA BOTTLING CO. CONSOLIDATED

By: /s/ DAVID V. SINGER

David V. Singer
Chief Financial Officer

Attest:

/s/ PATRICIA A. GILL

Patricia A. Gill
Assistant Secretary

[SEAL]

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

(Name and address of assignee, including zip code, must be printed or typewritten)

---

the within Debenture, and all rights thereunder, hereby irrevocably constituting and appointing

---

Attorney to transfer said Debenture on the books of the within Company, with full power of substitution in the premises.

Dated:

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within or attached Debenture in every particular, without alteration or enlargement or any change whatever.

Exhibit 4.10

This Amended and Restated Promissory Note is an amendment and restatement of, and not a prepayment or novation of, the Subordinated Promissory Note, dated as of May 23, 2002 (the "Prior Note"). Upon the execution of this Amended and Restated Promissory Note and delivery thereof to the Holder, the Prior Note shall be deemed to be replaced by this Amended and Restated Promissory Note.

AMENDED AND RESTATED PROMISSORY NOTE

$195,000,000.00 November 22, 2002

FOR VALUE RECEIVED, the undersigned PIEDMONT COCA-COLA BOTTLING PARTNERSHIP, a Delaware general partnership (the "Company"), hereby promises to pay to COCA-COLA BOTTLING CO. CONSOLIDATED, a Delaware corporation or its successors and assigns ("Holder"), the principal amount of One Hundred Ninety-Five Million and 00/100 Dollars ($195,000,000.00), or the lesser amount of outstanding Loans (as defined below) made by Holder to the Company, in accordance with the terms set forth in this Amended and Restated Promissory Note (this "Note").

1. Revolving Credit Loans. (a) Subject to the terms and conditions set forth in this Note, Holder agrees to make revolving credit loans (each, a "Loan" and collectively, the "Loans") to the Company from time to time from the date of this Note through December 31, 2005 (the "Maturity Date") as requested by Holder in accordance with the terms of Section 1(b) below; provided, that the aggregate principal amount of all outstanding revolving credit loans at any time (after giving effect to any amount requested) shall not exceed $195,000,000.00.

(b) As of the date of this Note, all principal and interest outstanding under the Prior Note shall become outstanding principal and interest under this Note. So long as no Event of Default (as defined in Section 4) is continuing and subject to the limitations set forth herein, the Company may make additional requests for Loans from time to time upon notice to Holder. As of the date hereof, Holder will make an additional Loan to the Company in the amount of $97,500,000.00.

(c) Subject to the terms and conditions hereof, the Company may borrow, repay and reborrow Loans hereunder until the Maturity Date. The Company may prepay this Note in whole or in part at any time, without premium or penalty. All principal and interest outstanding under any Loan hereunder will become due and payable on the Maturity Date.

2. Payments of Interest. The Company further promises to pay interest on the unpaid principal amount of each Loan from the date of the relevant Loan until such Loan is paid in full, at a rate per annum equal to Holder's average monthly cost of borrowing (taking into account all indebtedness of Holder and its consolidated subsidiaries), determined as of the last business day of each calendar month, plus one-half of one percent (0.5%) quarterly on the last business day of each calendar month of each year (each, a "Payment Date"), commencing with the Payment Date next succeeding the date hereof. Interest on the unpaid principal balance of the Loans pursuant hereto shall continue to accrue until the principal interest thereon shall have been paid in full.

3. Manner of Payment. All payments of principal and accrued interest on the Loans shall be made by the Company to Holder in immediately available funds and in lawful money of the United States of America at the address set forth in Section 11 or to such account as is designated by Holder in writing to the Company.

4. Events of Default. The following shall constitute "Events of Default" with respect to this Note:

(a) Failure of the Company to pay when due, in the manner provided herein, the principal or interest with respect to any Loan under this Note; or

(b) The Company shall make an assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts as they become due, or shall file a voluntary petition for relief under Title 11 of the United States Code (the "Bankruptcy Code"), or shall file any other petition or similar request with a court or governmental agency having competent jurisdiction for voluntary relief, looking to reorganization, arrangement, composition, readjustment, liquidation, custodianship, dissolution, winding-up or similar relief under the Bankruptcy Code or any other similar present or future statute, law or regulation, or shall file any answer admitting or not contesting the material allegations of a petition filed against it in any such proceeding, or shall in any such proceeding seek or consent to or acquiesce in the appointment of any trustee, receiver, custodian or liquidator of it or of all or any substantial part of its properties; or

(c) The filing against the Company of an involuntary petition for relief under the Bankruptcy Code or the commencement of any proceeding against the Company in a court or before a governmental agency having competent jurisdiction, looking to reorganization, arrangement, composition, readjustment, liquidation, custodianship, dissolution or similar relief under the Bankruptcy Code or any other similar present or future statute, law or regulation, and such petition or proceeding shall not have been vacated, dismissed or stayed within sixty (60) days thereafter, or if there is appointed in any such proceeding, without the consent or acquiescence of the Company, any trustee, receiver, custodian, liquidator, or other similar official for it or for all or any substantial part of its properties, and such appointment shall not have been vacated, dismissed or stayed within sixty (60) days thereafter; or

(d) The Company shall default in the due observance or performance of any covenant, condition or agreement contained herein and such default shall continue unremedied for a period of thirty (30) days.

5. Consequences of Event of Default. Upon the occurrence of any such Event of Default and during the continuation thereof, Holder, by written notice to the Company, may terminate its commitment to make Loans pursuant to Section 1 and declare the unpaid principal balance of all Loans and accrued and unpaid interest thereon to be immediately due and payable notwithstanding the Maturity Date thereof. Upon any such declaration of acceleration, such principal and interest shall become immediately due and payable and Holder shall have all other rights and remedies provided by applicable law.

6. Costs of Collection. In the event that any amounts due under this Note are not paid when due, the Company shall also pay or reimburse Holder for all reasonable costs and expenses of collection, including, without limitation, reasonable attorneys' fees.

7. Certain Acceleration Events. Upon a Sale, Holder may, by notice to the Company, terminate its commitment to make Loans pursuant to Section 1 hereof and declare the unpaid principal balance of all Loans under this Note and accrued and unpaid interest thereon to be immediately due and payable, whereupon the same shall become immediately due and payable notwithstanding the Maturity Date thereof. For purposes of this Section 7, a "Sale" means (a) a sale of all or substantially all of the assets of the Company or (b) any extraordinary corporate transaction, such as a merger, consolidation, issuance of capital stock or other business combination involving the Company pursuant to which any person or group of persons acquires at least 50% of the voting power of the Company, or in which the Company is not the surviving corporation.

8. Governing Law. This Note shall be governed by and construed in accordance with the laws of the State of North Carolina, other than the conflicts of law provisions thereof.

9. Waiver. The Company waives presentment for payment, demand, protest, notice of dishonor, notice of protest, diligence on bringing suit against any party hereto, and all defenses on the ground of any extension of the time of payment that may be given by Holder to it.

10. No Right of Set-Off. As of the date hereof, the Company represents that it has no claims or offsets against Holder in breach of contract, negligence or for any other type of legal action under this Note.

11. Notices. Any notice pursuant to this Note must be in writing and will be deemed effectively given to another party on the earliest of the date (a) three business days after such notice is sent by registered U.S. mail, return receipt requested, (b) upon receipt of confirmation if such notice is sent by facsimile, (c) one business day after delivery of such notice into the custody and control of an overnight courier service for next day delivery, (d) upon delivery of such notice in person and (e) such notice is received by that party; in each case to the appropriate address below (or to such other address as a party may designate by notice to the other party):

The Company:

Piedmont Coca-Cola Bottling Partnership
c/o Coca-Cola Bottling Co. Consolidated
Coca-Cola Corporate Center
4100 Coca-Cola Plaza (28211-3481)
P.O. Box 31487
Charlotte, North Carolina 28231-1487
Attention: Chief Financial Officer
Telecopy No.: (704) 557-4451

Holder:

Coca-Cola Bottling Co.Consolidated
Coca-Cola Corporate Center
4100 Coca-Cola Plaza (28211-3481)
P.O. Box 31487
Charlotte, North Carolina 28231-1487
Attention: Chief Financial Officer
Telecopy No.: (704) 557-4451

12. Severability. Any provision of this Note that is determined by any court of competent jurisdiction to be invalid or unenforceable will not affect the validity or enforceability of any other provision hereof or the invalid or unenforceable provision in any other situation or in any other jurisdiction. Any provision of this Note held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

* * * * *

IN WITNESS WHEREOF, the Company and Holder have caused this Note to be executed by their duly authorized officer as of the day and year first above written.

"Company"

PIEDMONT COCA-COLA BOTTLING PARTNERSHIP

By: COCA-COLA BOTTLING CO. CONSOLIDATED, its Manager

By: _____
Name: _____
Title: _____

"Holder"

COCA-COLA BOTTLING CO. CONSOLIDATED

By: _____
Name: _____
Title: _____

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Exhibit 4.11

EXECUTION VERSION

U.S. $125,000,000

CREDIT AGREEMENT

Dated as of December 20, 2002

Among

COCA-COLA BOTTLING CO. CONSOLIDATED
as Borrower

THE BANKS NAMED HEREIN

SALOMON SMITH BARNEY INC.
as Lead Arranger

WACHOVIA BANK, NATIONAL ASSOCIATION
as Joint Lead Arranger and Syndication Agent

and

CITIBANK, N.A.
as Administrative Agent

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SCHEDULES

EXHIBITS

CREDIT AGREEMENT dated as of December 20, 2002 among COCA-COLA BOTTLING CO. CONSOLIDATED, a corporation organized under the laws of Delaware (the "Borrower"), the banks (each a "Bank" and, collectively, the "Banks") listed on the signature pages hereof, and CITIBANK, N.A., a national banking association, as administrative agent (in such capacity, the "Administrative Agent").

The Borrower has requested that the Lenders (as hereinafter defined) make loans to it in an aggregate principal amount not exceeding $125,000,000 at any one time outstanding for the general corporate purposes of the Borrower, and the Lenders are prepared to make such loans on and subject to the terms and conditions hereof. Accordingly, the parties hereto agree as follows:

ARTICLE 1
DEFINITIONS AND ACCOUNTING TERMS

SECTION 1.01. Certain Defined Terms. As used in this Agreement, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

"Acquisition Cash Flow" means, with respect to any Person or assets, franchises or businesses acquired by the Borrower or any of its Consolidated Subsidiaries, operating income for any period of determination plus any amounts deducted for depreciation, amortization and operating lease expense in determining operating income during such period (to the extent not included in Consolidated Operating Income for such period), all determined using historical financial statements of such Person, assets, franchises or businesses acquired with appropriate adjustments thereto in order to reflect such operating income, depreciation, amortization and operating lease expense on an actual historical combined pro forma basis as if such Person, assets, franchises or businesses acquired had been owned by the Borrower or one of its Consolidated Subsidiaries during the applicable period. Operating income as used in the preceding sentence will be determined for the acquired Person, assets, franchises or businesses using the same method prescribed for determining Consolidated Operating Income.

"Administrative Agent" has the meaning set forth in the introduction hereto.

"Advance" has the meaning set forth in Section 2.01.

"Affiliate" means, as to any Person, any other Person (other than a Subsidiary) which, directly or indirectly, is in control of, is controlled by, or is under common control with, such Person. For purposes of this definition, "control" of a Person means the power, directly or indirectly, either to (a) vote 10% or more of the securities having ordinary voting power for the election of directors or other persons performing similar functions of such Person or (b) direct or cause the direction of the management and policies of such Person, whether by contract or otherwise.

"Applicable Facility Fee Rate" means, for any Rating Level Period, the rate per annum set forth below opposite the reference to such Rating Level Period:

Rating Level Period	Applicable Facility Fee Rate
Rating Level 1 Period	0.100%
Rating Level 2 Period	0.125%
Rating Level 3 Period	0.150%
Rating Level 4 Period	0.200%
Rating Level 5 Period	0.300%

Each change in the Applicable Facility Fee Rate resulting from a Rating Level Change shall be effective on the date of such Rating Level Change.

"Applicable Lending Office" means, with respect to any Lender, such Lender's Domestic Lending Office in the case of a Base Rate Advance and such Lender's Eurodollar Lending Office in the case of a Eurodollar Rate Advance.

"Applicable Margin" means:

(a) for any Advance that is a Base Rate Advance, 0.000% per annum; and

(b) for any Advance that is a Eurodollar Rate Advance for any Rating Level Period, the rate per annum set forth below opposite the reference to such Rating Level Period:

Rating Level Period	Applicable Margin
Rating Level 1 Period	0.400%
Rating Level 2 Period	0.475%
Rating Level 3 Period	0.600%
Rating Level 4 Period	0.800%
Rating Level 5 Period	0.950%

Each change in the Applicable Margin resulting from a Rating Level Change shall be effective on the date of such Rating Level Change.

"Applicable Utilization Fee Rate" means, for any Rating Level Period, the rate per annum set forth below opposite the reference to such Rating Level Period:

Rating Level Period	Applicable Utilization Fee Rate
Rating Level 1 Period	0.100%
Rating Level 2 Period	0.150%
Rating Level 3 Period	0.250%
Rating Level 4 Period	0.300%
Rating Level 5 Period	0.500%

Each change in the Applicable Utilization Fee Rate resulting from a Rating Level Change shall be effective on the date of such Rating Level Change.

"Arrangers" means Salomon Smith Barney Inc., as Lead Arranger, and Wachovia Securities Inc., as Joint Lead Arranger.

"Assignment and Acceptance" means an assignment and acceptance entered into by a Lender and an Eligible Assignee, and accepted by the Administrative Agent, in substantially the form of Exhibit B hereto.

"Bank" has the meaning set forth in the introduction hereto.

"Base Rate" means, for any period, a fluctuating interest rate per annum in effect from time to time, which rate per annum shall at all times be equal to the higher of:

(a) the rate of interest announced publicly by Citibank in New York, New York from time to time as Citibank's base rate; and

(b) 1/2 of one percent per annum above the Federal Funds Rate for such period.

"Base Rate Advance" means, at any time, an Advance which bears interest at rates based upon the Base Rate.

"Borrower" has the meaning set forth in the introduction hereto.

"Borrowing" means a borrowing consisting of simultaneous Advances of the same Type made by each of the Lenders pursuant to Section 2.01.

"Business Day" means a day of the year on which banks are not required or authorized to close in New York City and, if the applicable Business Day relates to any Eurodollar Rate Advance, on which dealings are carried on in the London interbank market.

"Capitalized Lease" of a Person means any lease of Property by such Person as lessee which would be capitalized on a balance sheet of such Person prepared in accordance with GAAP.

"Capitalized Lease Obligations" of a Person means the amount of the obligations of such Person under Capitalized Leases which would be shown as a liability on a balance sheet of such Person prepared in accordance with GAAP.

"Cash Flow/Fixed Charges Ratio" means, at any time, the ratio of (i) Consolidated Cash Flow for the then most recently concluded period of four consecutive fiscal quarters of the Borrower to (ii) Consolidated Fixed Charges for such period.

"Change in Control" means that:

(a) The Coca-Cola Company and any of its wholly-owned Subsidiaries shall cease to own, beneficially and of record, at least 10% of the outstanding capital stock of the Borrower; or

(b) any "person" or "group" (as such terms are used for purposes of Sections 13(d) and 14(d) of the Exchange Act, whether or not applicable, except that for purposes of this paragraph (b) such person or group shall be deemed to have "beneficial ownership" of all shares that such person or group has the right to acquire, whether such right is exercisable immediately or only after the passage of time), other than (i) The Coca-Cola Company, (ii) other shareholders of the Borrower as of the date hereof and (iii) J. Frank Harrison III, his spouse and the lineal descendants of either of the foregoing (or trusts, corporations, partnerships, limited partnerships, limited liability companies or other estate planning vehicles for the benefit thereof), is or becomes the "beneficial owner" (as such term is used in Rule 13d-3 promulgated pursuant to the Exchange Act), directly or indirectly, of more than 50% of the aggregate voting power of all voting shares of the Borrower; or

(c) during any period of 25 consecutive calendar months, a majority of the Board of Directors of the Borrower shall no longer be composed of individuals (i) who were members of said Board on the first day of such period, (ii) whose election or nomination to said Board was approved by individuals referred to in clause (i) above constituting at the time of such election or nomination at least a majority of said Board and (iii) whose election or nomination to said Board was approved by individuals referred to in clauses (i) and (ii) above constituting at the time of such election or nomination at least a majority of said Board.

"Citibank" means Citibank, N.A., a national banking association.

"Closing Date" means the date as of which the Administrative Agent notifies the Borrower that the conditions precedent set forth in Section 3.01 have been satisfied or waived.

"Code" means the Internal Revenue Code of 1986, as amended from time to time.

"Commitment" has the meaning set forth in Section 2.01(a).

"Commitment Termination Date" means the date three years after the date of this Agreement; provided that if such date is not a Business Day, the Commitment Termination date shall be the immediately preceding Business Day.

"Communications Agreement" means an agreement between the Borrower and the Administrative Agent in substantially the form of Exhibit F, as from time to time amended.

"Consolidated" refers to the consolidation of accounts of the Borrower and its Subsidiaries in accordance with GAAP.

"Consolidated Cash Flow" means, for any period, Consolidated Operating Income for such period plus any amounts deducted for depreciation, amortization and operating lease expense in determining Consolidated Operating Income.

"Consolidated Fixed Charges" shall mean, for any period, the sum of (i) Consolidated Net Interest Expense for such period, (ii) the amount of obligations of the Borrower and its Consolidated Subsidiaries as lessees, on leases other than Capitalized Leases, accrued during such period and (iii) payments made or required to be made by the Borrower and its Consolidated Subsidiaries during such period under agreements providing for or containing covenants not to compete.

"Consolidated Funded Indebtedness" shall mean, at any time, the aggregate outstanding principal amount of all Funded Indebtedness of the Borrower and its Consolidated Subsidiaries, determined and consolidated in accordance with GAAP.

"Consolidated Funded Indebtedness/Cash Flow Ratio" shall mean, at any time, the ratio of (a) the aggregate amount of (i) Consolidated Funded Indebtedness and (ii) 50% of every Contingent Obligation of the Borrower and its Consolidated Subsidiaries, determined and consolidated in accordance with GAAP to (b) Consolidated Cash Flow for the then most recently concluded period of four consecutive fiscal quarters of the Borrower plus Acquisition Cash Flow for such period.

"Consolidated Net Interest Expense" shall mean, for any period, the aggregate net amount of interest payments of the Borrower and its Consolidated Subsidiaries, determined and consolidated in accordance with GAAP, excluding, however, such amounts as arise from the amortization of capitalized interest, discount and fees reflected as an asset on the Borrower's books and records on the date hereof.

"Consolidated Operating Income" shall mean, for any period, the net income of the Borrower and its Consolidated Subsidiaries, before any deduction in respect of interest or taxes, determined and consolidated in accordance with GAAP, excluding, however, extraordinary items in accordance with GAAP (which shall include without

limitation, in any event, any income, net of expenses, or loss realized by the Borrower or any Consolidated Subsidiary from any sale of assets outside the ordinary course of business, whether tangible or intangible, including franchise territories and securities).

"Contingent Obligation" of a Person means any agreement, undertaking or arrangement by which such Person assumes, guarantees, endorses, contingently agrees to purchase or provide funds for the payment of, or otherwise becomes or is contingently liable upon, the financial obligation or liability of any other Person, or agrees to maintain the net worth or working capital or other financial condition of any other Person, or otherwise assures any creditor of such other Person against loss, including, without limitation, any comfort letter, operating agreement, take-or-pay contract or application for a Letter of Credit, but excluding the endorsement of instruments for deposit or collection in the ordinary course of business.

"Continuation", "Continue" and "Continued" each refers to a continuation of Eurodollar Rate Advances from one Interest Period to the next Interest Period pursuant to Section 2.09(b).

"Controlled Group" means all members of a controlled group of corporations and all trades or businesses (whether or not incorporated) under common control which, together with the Borrower or any of its Subsidiaries, are treated as a single employer under Section 414 of the Code.

"Convert", "Conversion" and "Converted" each refers to a conversion of Advances of one Type into Advances of the other Type pursuant to Section 2.08 or Section 2.09(a).

"Default" means an event that, with notice or lapse of time or both, would become an Event of Default.

"Dollars" means the lawful currency of the United States of America.

"Domestic Lending Office" means, with respect to any Lender, the office of such Lender specified as its "Domestic Lending Office" in Schedule I or in the Assignment and Acceptance pursuant to which it became a Lender, or such other office of such Lender as such Lender may from time to time specify to the Borrower and the Administrative Agent.

"Eligible Assignee" means:

(a) a Lender and any Affiliate of such Lender;

(b) a commercial bank organized under the laws of the United States, or any State thereof, and having total assets in excess of $1,000,000,000;

(c) a savings bank organized under the laws of the United States, or any State thereof, and having total assets in excess of $500,000,000;

(d) a commercial bank organized under the laws of any other country which is a member of the OECD or a political subdivision of any such country, and having total assets in excess of $1,000,000,000; and

(e) a finance company or other financial institution or fund (whether a corporation, partnership or other Person) which is engaged in making, purchasing or otherwise investing in commercial loans in the ordinary course of its business, and having total assets in excess of $500,000,000.

"Environmental Law" means any Federal, state or local governmental law, rule, regulation, order, writ, judgment, injunction or decree relating to pollution or protection of the environment or the treatment, storage, disposal, release, threatened release or handling of Hazardous Materials, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, the Resource Conservation and Recovery Act, the Hazardous Materials Transportation Act, the Clean Water Act, the Toxic Substances Control Act, the Clean Air Act, the Safe Drinking Water Act, the Atomic Energy Act and the Federal Insecticide, Fungicide and Rodenticide Act, in each case, as amended from time to time.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated and rulings issued thereunder.

"Eurocurrency Liabilities" has the meaning set forth in Regulation D of the Board of Governors of the Federal Reserve System, as in effect from time to time.

"Eurodollar Lending Office" means, with respect to any Lender, the office of such Lender specified as its "Eurodollar Lending Office" in Schedule I of such Lender or in the Assignment and Acceptance pursuant to which it became a Lender (or, if no such office is specified, its Domestic Lending Office), or such other office of such Lender as such Lender may from time to time specify to the Borrower and the Administrative Agent.

"Eurodollar Rate" means, for any Interest Period for each Eurodollar Rate Advance, the rate per annum (rounded upward, if necessary, to the nearest whole multiple of 1/16 of 1% per annum) appearing on Telerate Page 3750 as of 11:00 a.m. (London time) on the date (as to any Interest Period, the "Determination Date") that is two Business Days before the first day of such Interest Period, as LIBOR for a period equal to such Interest Period. In the event that Telerate Page 3750 shall cease to report such LIBOR or, in the reasonable judgment of the Majority Lenders, shall cease to accurately reflect such LIBOR, then the "Eurodollar Rate" with respect to such Interest Period for such Eurodollar Rate Advance shall be the rate per annum at which deposits in U.S. dollars are offered by the principal office of Citibank, N.A., in London, England to leading banks in the London interbank market at 11:00 A.M. (London time) on the Determination Date in an amount comparable to the amount of the related Borrowing and for a period equal to such Interest Period.

"Eurodollar Rate Advance" means, at any time, an Advance which bears interest at rates based upon the Eurodollar Rate.

"Eurodollar Rate Reserve Percentage" of any Lender for any Interest Period for any Eurodollar Rate Advance means the reserve percentage applicable during such Interest Period (or if more than one such percentage shall be so applicable, the daily average of such percentages for those days in such Interest Period during which any such percentage shall be so applicable) under regulations issued from time to time by the Board of Governors of the Federal Reserve System (or any successor) for determining the maximum reserve requirement (including, without limitation, any emergency, supplemental or other marginal reserve requirement) for such Lender with respect to liabilities or assets consisting of or including Eurocurrency Liabilities having a term equal to such Interest Period.

"Events of Default" has the meaning set forth in Section 6.01.

"Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time.

"Excluded Representations" means the representations and warranties set forth in Section 4.01(f) and Section 4.01(g).

"Existing Credit Agreement" means the Credit Agreement dated as of December 21, 1995 among the Borrower, certain financial institutions and Nationsbank, N.A., as Administrative and Syndication Agent, as amended.

"Facility Fee" has the meaning set forth in Section 2.03(a).

"Federal Funds Rate" means, for any day, a fluctuating interest rate per annum equal for such day to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published for such day (or, if such day is not a Business Day, for the next preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average of the quotations for such day on such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by it.

"Funded Indebtedness" of a Person shall mean (i) all liabilities of such Person of the kinds referred to in clauses (i), (ii), (iii), (iv) and (v) of the definition of "Indebtedness" herein, including without limitation commercial paper, of any maturity, and (ii) other indebtedness (including the current portion thereof) of such Person which would be classified in whole or part as a long-term liability of such Person in accordance with GAAP, and shall in any event include (i) any Indebtedness having a final maturity more than one year from the date of creation of such Indebtedness and (ii) any Indebtedness, regardless of its term, which is renewable or extendable by such Person (pursuant to the terms thereof or pursuant to a revolving credit or similar agreement or

otherwise) to a date more than one year from the date of creation of such Indebtedness or any date of determination of Funded Indebtedness.

"GAAP" means generally accepted accounting principles in the United States of America as in effect from time to time.

"Governmental Authority" means the federal government, any state or other political subdivision thereof and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

"Hazardous Materials" means petroleum or petroleum products, natural or synthetic gas, asbestos in any form that is or could become friable, and radon gas, any substances defined as or included in the definition of "hazardous substances", "hazardous wastes", "hazardous materials", "extremely hazardous wastes", "restricted hazardous wastes", "toxic substances", "toxic pollutants", "contaminants" or "pollutants", or words of similar meaning and regulatory effect, under any Environmental Law and any other substance exposure to which is regulated under any Environmental Law.

"Indebtedness" of a Person means, without duplication, such Person's (i) obligations for borrowed money, (ii) obligations representing the deferred purchase price of Property or services (excluding accounts payable arising in the ordinary course of such Person's business payable on terms customary in the trade), (iii) obligations, whether or not assumed, secured by Liens or payable out of the proceeds or production from Property now or hereafter owned or acquired by such Person, (iv) obligations which are evidenced by notes, acceptances, or similar instruments, (v) Capitalized Lease Obligations, (vi) net Rate Hedging Obligations, (vii) Contingent Obligations in respect of Indebtedness, (viii) obligations for which such Person is obligated pursuant to or in respect of a Letter of Credit and (ix) repurchase obligations or liabilities of such Person with respect to accounts, notes receivable or securities sold by such Person.

"Interest Period" means, with respect to any Eurodollar Rate Advance, the period beginning on the date such Eurodollar Rate Advance is made or Continued, or Converted from a Base Rate Advance, and ending on the last day of the period selected by the Borrower pursuant to the provisions below. The duration of each Interest Period shall be one, two, three or six months or (if available to the Lenders in the opinion of the Lenders) nine or twelve months, as the Borrower may, upon notice received by the Administrative Agent not later than 12:00 noon (New York City time) on the third Business Day prior to the first day of such Interest Period, select; provided that:

(i) any Interest Period that would otherwise end after the Commitment Termination Date shall end on the Commitment Termination Date;

(ii) each Interest Period that begins on the last Business Day of a calendar month (or on any day for which there is no numerically corresponding day in the appropriate subsequent calendar month) shall end on the last Business Day of the appropriate subsequent calendar month; and

(iii) whenever the last day of any Interest Period would otherwise occur on a day other than a Business Day, the last day of such Interest Period shall be extended to occur on the next succeeding Business Day, provided that, if such extension would cause the last day of such Interest Period to occur in the next following calendar month, the last day of such Interest Period shall occur on the next preceding Business Day.

"Lenders" means the Banks listed on the signature pages hereof and each Person that shall become a party hereto pursuant to Sections 8.06(a), (b) and (c).

"Letter of Credit" of a Person means a letter of credit or similar instrument which is issued upon the application of such Person or upon which such Person is an account party or for which such Person is in any way liable.

"LIBOR" means the rate at which deposits in U.S. dollars are offered to leading banks in the London interbank market.

"Lien" means any lien, mortgage, security interest or other charge or encumbrance of any kind, or any other type of preferential arrangement having substantially the same effect as a lien, including, without limitation, the lien or retained security title of a conditional vendor.

"Majority Lenders" means, at any time, Lenders having Advances representing more than 66-2/3% of the aggregate outstanding principal amount of the Advances or, if no Advances are outstanding, Lenders having Commitments representing more than 66-2/3% of the total Commitments at such time.

"Margin Stock" means margin stock within the meaning of Regulation U.

"Material Adverse Change" or "Material Adverse Effect" means a material adverse change in or, as the case may be, effect on (i) the business, condition (financial or otherwise), or operations of the Borrower and its Consolidated Subsidiaries taken as a whole, (ii) the legality, validity or enforceability of this Agreement or (iii) the ability of the Borrower to pay and perform its obligations hereunder.

"Material Agreements" has the meaning specified in Section 4.01(o).

"Material Indebtedness" has the meaning set forth in Section 6.01(d).

"Material Subsidiary" shall mean a Subsidiary which (i) owns, leases or occupies any building, structure or other facility used primarily for the bottling, canning or packaging of soft drinks or soft drink products or warehousing and distributing of such products, other than any such building, structure or other facility or portion thereof, which is not of material importance to the total business conducted by the Borrower and its Subsidiaries as an entirety, (ii) is a party to any contract with respect to the bottling, canning, packaging or distribution of soft drinks or soft drink products, other than any such contract which is not of material importance to the total business conducted by the

Borrower and its Subsidiaries as an entirety, and in any event includes each of the Subsidiaries indicated as Material Subsidiaries listed in Schedule IV as of the date hereof, and (iii) any Subsidiary of the Borrower that would qualify as a "significant subsidiary" under Regulation S-X of the Securities and Exchange Commission (or its successor agency).

"Moody's" means Moody's Investors Service, Inc. and its successors.

"Moody's Rating" means, at any time, the rating of the long-term senior unsecured non-credit-enhanced debt obligations of the Borrower then outstanding most recently announced by Moody's.

"Multiemployer Plan" means any employee benefit plan which is a "multiemployer plan" within the meaning of Section 4001(a)(3) of ERISA and to which the Borrower or any member of a Controlled Group has or had an obligation to contribute.

"Note" has the meaning set forth in Section 2.17.

"Notice of Borrowing" has the meaning set forth in Section 2.02(a).

"OECD" means the Organization for Economic Cooperation and Development.

"Other Taxes" has the meaning set forth in Section 2.14(b).

"PBGC" means the Pension Benefit Guaranty Corporation or any successor.

"Person" means an individual, partnership, corporation (including a business trust), limited liability company, joint stock company, trust, unincorporated association, joint venture or other entity, or a government or any political subdivision or agency thereof.

"Plan" means an employee pension benefit plan (other than a Multiemployer Plan) to which Section 4021 of ERISA applies and (i) which is maintained for employees of the Borrower or any member of a Controlled Group or (ii) to which the Borrower or any member of a Controlled Group made, or was required to make, contributions at any time within the preceding five years.

"Property" of a Person means any and all property, whether real, personal, tangible, intangible, or mixed, of such Person, or other assets owned, leased or operated by such Person.

"Rate Hedging Obligations" of a Person means any and all obligations of such Person, whether absolute or contingent and howsoever and whensoever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor), under (a) any and all agreements, devices or arrangements designed to protect at least one of the parties thereto from the fluctuations of interest

rates, exchange rates or forward rates applicable to such party's assets, liabilities or exchange transactions, including, but not limited to, dollar-denominated or cross-currency interest rate exchange agreements, forward currency exchange agreements, interest rate cap or collar protection agreements, forward rate currency or interest rate options, puts and warrants, and (b) any and all cancellations, buybacks, reversals, terminations or assignments of any of the foregoing.

"Rating Level Change" means a change in the Moody's Rating or the Standard & Poor's Rating (other than as a result of a change in the rating system of such rating agency) that results in the change from one Rating Level Period to another, which Rating Level Change shall be effective on the date on which the relevant change in such rating is first announced by Moody's or Standard & Poor's, as the case may be.

"Rating Level Period" means a Rating Level 1 Period, a Rating Level 2 Period, a Rating Level 3 Period, a Rating Level 4 Period or a Rating Level 5 Period; provided that:

(i) "Rating Level 1 Period" means a period during which the Moody's Rating is at or above A- or the Standard & Poor's Rating is at or above A3;

(ii) "Rating Level 2 Period" means a period that is not a Rating Level 1 Period during which the Moody's Rating is Baa1 or the Standards & Poor's Rating is at or above BBB+;

(iii) "Rating Level 3 Period" means a period that is not a Rating Level 1 Period or a Rating Level 2 Period during which Moody's Rating is at or above Baa2 or the Standard & Poor's Rating is at or above BBB;

(iv) "Rating Level 4 Period" means a period that is not a Rating Level 1 Period, a Rating Level 2 Period or a Rating Level 3 Period during which the Moody's Rating is at or above Baa3 or the Standard & Poor's Rating is at or above BBB-; and

(v) "Rating Level 5 Period" means a period that is not a Rating Level 1 Period, a Rating Level 2 Period, a Rating Level 3 Period or a Rating Level 4 Period;

and provided further that if the Moody's Rating and the Standard & Poor's Rating differ by more than one rating level, then the Rating Level Period shall be one Rating Level Period higher than the Rating Level Period resulting from the application of the lower of such ratings (for which purpose Rating Level Period 1 is the highest Rating Level Period and Rating Level 5 is the lowest Rating Level Period).

"Register" has the meaning set forth in Section 8.06(d).

"Regulations T, U and X" means Regulations T, U and X issued by the Board of Governors of the Federal Reserve System, as from time to time amended.

"Reportable Event" means (i) a reportable event described in Section 4043 of ERISA and regulations thereunder (other than reportable events for which notice has been waived pursuant to PBGC regulations), (ii) a withdrawal by a substantial employer from a Plan to which more than one employer contributes, as referred to in Section 4063(b) of ERISA, or (iii) a cessation of operations at a facility causing more than 20% of Plan participants to be separated from employment, as referred to in Section 4062(e) of ERISA.

"Responsible Officer" means the President, the Controller, the Treasurer or the Chief Financial Officer of the Borrower.

"Solvent" means, with respect to any Person at any time, that (a) the fair value of the Property of such Person is greater than the total amount of liabilities (including without limitation contingent liabilities) of such Person, (b) the present fair saleable value of the Property of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts as they become absolute and matured, (c) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person's ability to pay as such debts and liabilities mature, and (d) such Person is not engaged in a business and is not about to engage in a business for which such Person's property would constitute an unreasonably small capital.

"Standard & Poor's" means Standard & Poor's Ratings Service, presently a division of The McGraw-Hill Companies, Inc., and its successors.

"Standard & Poor's Rating" means, at any time, the rating of the long-term senior unsecured, non-credit-enhanced debt obligations of the Borrower then outstanding most recently announced by Standard & Poor's.

"Subsidiary" means, with respect to any Person, any corporation, partnership, limited liability company or other entity of which at least a majority of the securities or other ownership interests having by the terms thereof ordinary voting power to elect a majority of the board of directors or other persons performing similar functions of such corporation, partnership, limited liability company or other entity (irrespective of whether or not at the time securities or other ownership interests of any other class or classes of such corporation, partnership, limited liability company or other entity shall have or might have voting power by reason of the happening of any contingency) is at the time directly or indirectly owned or controlled by such Person or one or more Subsidiaries of such Person or by such Person and one or more Subsidiaries of such Person; provided, that notwithstanding the foregoing, Piedmont Coca-Cola Bottling Partnership, a Delaware general partnership, shall be deemed to be a Subsidiary of the Borrower so long as the Borrower owns a greater than 50% economic interest therein.

"Taxes" has the meaning set forth in Section 2.14(a).

"Telerate Page 3750" means the display designated as page "3750" on the Bridge Information Service (or such other page as may replace page "3750" on the Dow Jones

Markets Service or such other service as may be nominated by the British Bankers' Association as the information vendor for the purpose of displaying British Bankers' Association Interest Settlement Rates for Dollar deposits).

"Termination Event" means, with respect to a Plan which is subject to Title IV of ERISA, (a) a Reportable Event, (b) the withdrawal of the Borrower or any other member of the Controlled Group from such Plan during a plan year in which the Borrower or any other member of the Controlled Group was a "substantial employer" as defined in Section 4001(a)(2) of ERISA or was deemed such under any other provision of Title IV of ERISA, (c) the termination of such Plan, the filing of a notice of intent to terminate such Plan or the treatment of an amendment of such Plan as a termination under Section 4041 of ERISA or (d) the institution by the PBGC of proceedings to terminate such Plan, in each case which could reasonably be expected to have a Material Adverse Effect.

"Type" refers to whether an Advance is a Base Rate Advance or a Eurodollar Rate Advance.

"Unfunded Liabilities" means the amount (if any) by which the present value of all vested and unvested accrued benefits under a Single Employer Plan exceeds the fair market value of assets allocable to such benefits, all determined as of the then most recent valuation date for such Plans using the PBGC actuarial assumptions utilized for purposes of determining the current liability for purposes of such valuation.

"Utilization Fee" has the meaning set forth in Section 2.03(b).

SECTION 1.02. Computation of Time Periods. In this Agreement in the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" mean "to but excluding".

SECTION 1.03. Accounting Terms.(a) All accounting terms not specifically defined herein shall be construed in accordance with GAAP consistent with those applied in the preparation of the financial statements referred to in Section 4.01(e).

(b) If at any time any change in GAAP would affect the computation of any financial ratio or requirement set forth herein, and the Borrower so requests, the Administrative Agent, the Lenders and the Borrower will negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP; provided that until so amended, such ratio or requirement shall continue to be computed in accordance with GAAP as in effect prior to such change therein.

ARTICLE 2
AMOUNTS AND TERMS OF THE ADVANCES

SECTION 2.01. The Advances.

(a) Each Lender severally agrees, on and subject to the terms and conditions hereinafter set forth, to make advances to the Borrower (each, an "Advance") from time to time on any Business Day during the period from the Closing Date until the Commitment Termination Date in an aggregate amount up to but not exceeding at any one time outstanding the amount set forth under the heading "Commitment" opposite such Lender's name on Schedule I or, if such Lender has entered into an Assignment and Acceptance, set forth for such Lender in the Register, as such amount may be reduced pursuant to Section 2.04 (such Lender's "Commitment") and, as to all Lenders, up to but not exceeding at any one time outstanding $125,000,000.

(b) Each Borrowing and each Conversion or Continuation thereof (i) shall (except as otherwise provided in Sections 2.08(f) and (g)) be in an aggregate amount not less than $5,000,000 or an integral multiple of $1,000,000 in excess thereof and (ii) shall consist of Advances of the same Type (and, if such Advances are Eurodollar Rate Advances, having the same Interest Period) made, Continued or Converted on the same day by the Lenders ratably according to their respective Commitments.

(c) Within the limits of each Lender's Commitment, the Borrower may from time to time borrow, prepay pursuant to Section 2.10 and reborrow under this Section 2.01.

SECTION 2.02. Making the Advances.

(a) (i) Each Borrowing shall be made on notice, given not later than 11:00 a.m. (New York City time) on the third Business Day prior to the date of such Borrowing (in the case of a Borrowing consisting of Eurodollar Rate Advances) or given not later than 11:00 a.m. (New York City time) on the Business Day of such Borrowing (in the case of a Borrowing consisting of Base Rate Advances), by the Borrower to the Administrative Agent, which shall give to each Lender prompt notice thereof.

(ii) Each such notice of a Borrowing (a "Notice of Borrowing") shall be in writing in substantially the form of Exhibit A hereto, specifying therein the requested (i) date of such Borrowing, (ii) Type of Advances comprising such Borrowing, (iii) amount of such Borrowing, and (iv) in the case of a Borrowing consisting of Eurodollar Rate Advances, initial Interest Period for each such Advance.

(iii) Each Lender shall, before 1:00 p.m. (New York City time) on the date of such Borrowing, make available for the account of its Applicable Lending Office to the Administrative Agent at its address referred to in Section 8.02, in same day funds, such Lender's ratable portion of such Borrowing.

(iv) Upon the Administrative Agent's receipt of such funds and upon fulfillment of the applicable conditions set forth in Article 3, the Administrative Agent will make such funds available to the Borrower at the Administrative Agent's aforesaid address.

(b) Anything in subsection (a) above to the contrary notwithstanding, the Borrower may select Eurodollar Rate Advances for any Borrowing only in an aggregate amount of $5,000,000 or an integral multiple of $1,000,000 in excess thereof.

(c) Each Notice of Borrowing shall be irrevocable and binding on the Borrower. In the case of any Borrowing which the related Notice of Borrowing specifies is to be comprised of Eurodollar Rate Advances, the Borrower shall indemnify each Lender against any loss, cost or expense (excluding loss of profit) reasonably incurred by such Lender as a result of any failure to make such Borrowing (including, without limitation, as a result of any failure to fulfill, on or before the date specified in such Notice of Borrowing, the applicable conditions set forth in Article 3) and the liquidation or reemployment of deposits or other funds acquired by such Lender to fund the Advance to be made by such Lender as part of such Borrowing. A certificate as to the amount of such losses, costs and expenses, submitted to the Borrower and the Administrative Agent by such Lender, shall be conclusive and binding for all purposes, absent manifest error.

(d) Unless the Administrative Agent shall have received notice from a Lender prior to the date of any Borrowing that such Lender will not make available to the Administrative Agent such Lender's ratable portion of such Borrowing, the Administrative Agent may assume that such Lender has made such portion available to the Administrative Agent on the date of such Borrowing in accordance with subsection (a) of this Section 2.02 and the Administrative Agent may, in reliance upon such assumption, make available to the Borrower on such date a corresponding amount. If and to the extent that such Lender shall not have so made such ratable portion available to the Administrative Agent, such Lender and the Borrower severally agree to repay to the Administrative Agent forthwith on demand (but without duplication) such corresponding amount together with interest thereon, for each day from the date such amount is made available to the Borrower until the date such amount is repaid to the Administrative Agent, at (i) in the case of the Borrower, the interest rate applicable at the time to Advances comprising such Borrowing and (ii) in the case of such Lender, the Federal Funds Rate. If such Lender shall repay to the Administrative Agent such corresponding amount, such amount so repaid shall constitute such Lender's Advance as part of such Borrowing for purposes of this Agreement (and such Advance shall be deemed to have been made by such Lender on the date on which such amount is so repaid to the Administrative Agent).

(e) The failure of any Lender to make the Advance to be made by it as part of any Borrowing shall not relieve the other Lenders of their obligations hereunder to make an Advance on the date of such Borrowing, and no Lender shall be responsible for the failure of any other Lender to make the Advance to be made by such other Lender on the date of any Borrowing.

SECTION 2.03. Certain Fees.

(a) Facility Fee. The Borrower agrees to pay to the Administrative Agent for the account of each Lender a facility fee (the "Facility Fee") on the average daily amount (whether used or unused) of such Lender's Commitment from the date hereof (in the case of each Bank) and from the Closing Date specified in the Assignment and Acceptance pursuant to which

it became a Lender (in the case of each such Lender) until the Commitment Termination Date at a rate per annum equal to the Applicable Facility Fee Rate. The Facility Fee shall be payable quarterly in arrears on the last Business Day of each March, June, September and December and on the Commitment Termination Date, commencing on the last Business Day of March, 2003.

(b) Utilization Fee. For each day on which the aggregate principal amount of Advances outstanding exceeds an amount equal to 50% of the aggregate Commitments, the Borrower agrees to pay to the Administrative Agent for the account of each Lender a utilization fee (the "Utilization Fee") on the aggregate principal amount of the Advances of such Lender outstanding on such day at a rate per annum equal to the Applicable Utilization Fee Rate. The Utilization Fee shall be payable in respect of each Advance on each date on which interest is payable on such Advance as specified in Section 2.06(a) hereof.

(c) Administrative Agent's Fee. The Borrower agrees to pay to the Administrative Agent, for the Administrative Agent's own account, an administrative agency fee at the times and in the amounts heretofore agreed between the Borrower and the Administrative Agent.

SECTION 2.04. Reduction of the Commitments.

(a) The Commitment of each Lender shall be automatically reduced to zero on the Commitment Termination Date.

(b) The Borrower shall have the right, upon at least three Business Days' notice to the Administrative Agent, to terminate in whole or reduce ratably in part the unused portions of the Commitments of the Lenders; provided that the aggregate amount of the Commitments of the Lenders shall not be reduced to an amount which is less than the aggregate principal amount of the Advances then outstanding; and provided further that each partial reduction shall be in an aggregate amount of $5,000,000 or an integral multiple of $1,000,000 in excess thereof.

(c) Once reduced or terminated, the Commitments may not be reinstated.

SECTION 2.05. Repayment of Advances. The Borrower shall repay the unpaid principal amount of each Advance made by each Lender, and each Advance made by each Lender shall mature, on the Commitment Termination Date.

SECTION 2.06. Interest.

(a) Ordinary Interest. The Borrower shall pay interest on the unpaid principal amount of each Advance made by each Lender, from the date of such Advance until such principal amount shall be paid in full, at the following rates per annum:

(i) Base Rate Advances. While such Advance is a Base Rate Advance, a rate per annum equal to the Base Rate in effect from time to time plus the Applicable Margin for Base Rate Advances as in effect from time to time, payable quarterly in arrears on the

last Business Day of each March, June, September and December and on the date such Base Rate Advance shall be Converted or paid in full.

(ii) Eurodollar Rate Advances. While such Advance is a Eurodollar Rate Advance, a rate per annum for each Interest Period for such Advance equal to the sum of the Eurodollar Rate for such Interest Period plus the Applicable Margin for Eurodollar Rate Advances as in effect from time to time, payable on the last day of such Interest Period and, if such Interest Period has a duration of more than three months, on each day which occurs at three-month intervals after the first day of such Interest Period, and on each date on which such Eurodollar Rate Advance shall be Continued, Converted or paid.

(b) Default Interest. Notwithstanding the foregoing, if any Event of Default shall have occurred and be continuing, the Borrower shall pay interest on:

(i) the unpaid principal amount of each Advance owing to each Lender, payable on demand (and in any event in arrears on the dates referred to in Section 2.06(a)(i) or (a)(ii) above), at a rate per annum equal at all times to 2% per annum above the rate per annum required to be paid on such Advance pursuant to said Section 2.06(a)(i) or (a)(ii), as applicable; provided that if such Event of Default shall be continuing at the end of any Interest Period for any Eurodollar Rate Advance, such Advance shall forthwith be Converted to a Base Rate Advance bearing interest as aforesaid in this Section 2.06(b)(i); and

(ii) the amount of any interest, fee or other amount payable hereunder that is not paid when due, from the date such amount shall be due until such amount shall be paid in full, payable on demand (and in any event in arrears on the date such amount shall be paid in full), at a rate per annum equal at all times to 2% per annum above the rate per annum required to be paid on Base Rate Advances pursuant to Section 2.06(a)(i) above.

SECTION 2.07. Additional Interest on Eurodollar Rate Advances. he Borrower shall pay to each Lender additional interest on the unpaid principal amount of each Eurodollar Rate Advance of such Lender, from the date of such Advance until such principal amount is paid in full, at an interest rate per annum equal at all times to the remainder obtained by subtracting (i) the Eurodollar Rate for each Interest Period for such Advance from (ii) the rate obtained by dividing such Eurodollar Rate by a percentage equal to 100% minus the Eurodollar Rate Reserve Percentage of such Lender for such Interest Period, payable on each date on which interest is payable on such Advance. Such additional interest shall be determined by such Lender and notified to the Borrower through the Administrative Agent.

SECTION 2.08. Interest Rate Determinations; Changes in Rating Systems.

(a) The Administrative Agent shall give prompt notice to the Borrower and the Lenders of the applicable interest rates determined by the Administrative Agent for the purposes of Section 2.06.

(b) If the relevant rates do not appear on Telerate Page 3750, and the Eurodollar Rate cannot be determined on the basis set forth in the second sentence of the definition of "Eurodollar Rate":

(i) the Administrative Agent shall forthwith notify the Borrower and the Lenders that the interest rate cannot be determined for such Eurodollar Rate Advances for such Interest Period,

(ii) each Eurodollar Rate Advance will automatically, on the last day of the then existing Interest Period therefor, Convert into a Base Rate Advance, and

(iii) the obligation of the Lenders to make or Continue, or to Convert Advances into, Eurodollar Rate Advances shall be suspended until the Administrative Agent shall notify the Borrower and the Lenders that the circumstances causing such suspension no longer exist.

(c) If, with respect to any Eurodollar Rate Advances, the Majority Lenders notify the Administrative Agent that the Eurodollar Rate for any Interest Period for such Advances will not adequately reflect the cost to such Majority Lenders of making, funding or maintaining their respective Eurodollar Rate Advances for such Interest Period, the Administrative Agent shall forthwith so notify the Borrower and the Lenders, whereupon:

(i) each Eurodollar Rate Advance will automatically, on the last day of the then existing Interest Period therefor, Convert into a Base Rate Advance, and

(ii) the obligation of the Lenders to make or Continue, or to Convert Advances into, Eurodollar Rate Advances shall be suspended until the Administrative Agent shall notify the Borrower and such Lenders that the circumstances causing such suspension no longer exist.

(d) If the Borrower shall fail to select the duration of any ensuing Interest Period for any outstanding Eurodollar Rate Advances in accordance with the provisions contained in the definition of "Interest Period" in Section 1.01, the Administrative Agent will forthwith so notify the Borrower and the Lenders and the Borrower will automatically be deemed to have selected an Interest Period of three months therefor.

(e) On the date on which the aggregate unpaid principal amount of Eurodollar Rate Advances comprising any Borrowing shall be reduced, by payment or prepayment or otherwise, to less than $5,000,000, such Advances shall automatically Convert into Base Rate Advances.

(f) Upon the occurrence and during the continuance of any Event of Default, (x) each Eurodollar Rate Advance shall automatically, on the last day of the then existing Interest Period therefor, Convert into a Base Rate Advance and (y) the obligation of the Lenders to make or Continue, or to Convert Advances into, Eurodollar Rate Advances shall automatically be suspended until such Event of Default shall be cured or waived.

(g) If the rating system of either Moody's or Standard & Poor's shall change, or if either such rating agency shall cease to be in the business of rating corporate debt obligations, the Borrower and the Administrative Agent (on behalf of the Lenders) shall negotiate in good faith to amend the references to specific ratings in this Agreement to reflect such changed rating system or the non-availability of ratings from such rating agency (provided that any such amendment to such specific ratings shall not be effective without the approval of the Majority Lenders).

SECTION 2.09. Voluntary Conversion and Continuation of Advances.

(a) Optional Conversion. The Borrower may on any Business Day, upon notice given to the Administrative Agent not later than 11:00 a.m. (New York City time) on the third Business Day prior to the date of the proposed Conversion and subject to the provisions of Sections 2.08 and 2.12, Convert all or any portion of the outstanding Advances of one Type comprising part of the same Borrowing into Advances of the other Type; provided that (i) any Conversion of Base Rate Advances into Eurodollar Rate Advances shall be in an amount not less than the minimum amount specified in Section 2.02(b) and (ii) in the case of any such Conversion of a Eurodollar Rate Advance into a Base Rate Advance on a day other than the last day of an Interest Period therefor, the Borrower shall reimburse the Lenders in respect thereof pursuant to Section 8.04(c). Each such notice of a Conversion shall, within the restrictions specified above, specify (x) the date of such Conversion, (y) the Advances to be Converted, and (z) if such Conversion is into Eurodollar Rate Advances, the duration of the initial Interest Period for each such Advance. Each notice of Conversion shall be irrevocable and binding on the Borrower.

(b) Continuations. The Borrower may, on any Business Day, upon notice given to the Administrative Agent not later than 11:00 a.m. (New York City time) on the third Business Day prior to the date of the proposed Continuation and subject to the provisions of Sections 2.08 and 2.12, Continue all or any portion of the outstanding Eurodollar Rate Advances comprising part of the same Borrowing for one or more Interest Periods; provided that (i) Eurodollar Rate Advances so Continued and having the same Interest Period shall be in an amount not less than the minimum amount specified in Section 2.02(b) and (ii) in the case of any such Continuation on a day other than the last day of an Interest Period therefor, the Borrower shall reimburse the Lenders in respect thereof pursuant to Section 8.04(c). Each such notice of a Continuation shall, within the restrictions specified above, specify (x) the date of such Continuation, (y) the Eurodollar Rate Advances to be Continued and (y) the duration of the initial Interest Period (or Interest Periods) for the Eurodollar Rate Advances subject to such Continuation. Each notice of Continuation shall be irrevocable and binding on the Borrower.

SECTION 2.10. Prepayments of Advances. The Borrower may, on notice given not later than 11:00 a.m. (New York City time) on the second Business Day prior to the date of the proposed prepayment of Advances (in the case of an Eurodollar Rate Advances) or given not later than 11:00 a.m. (New York City time) on the Business Day of the proposed prepayment of Advances (in the case of Base Rate Advances), stating the proposed date and aggregate principal amount of the prepayment, and if such notice is given the Borrower shall, prepay the outstanding principal amounts of the Advances comprising part of the same Borrowing in whole or ratably in

part, together with accrued interest to the date of such prepayment on the principal amount prepaid; provided, however, that (x) each partial prepayment shall be in an aggregate principal amount not less than $5,000,000 or integral multiples of $1,000,000 in excess thereof and (y) in the case of any such prepayment of a Eurodollar Rate Advance on a day other than the last day of an Interest Period therefor, the Borrower shall reimburse the Lenders in respect thereof pursuant to Section 8.04(c). The Borrower shall have no right to prepay the Advances except as provided in this Section 2.10 (or as required pursuant to the other provisions of this Agreement).

SECTION 2.11. Increased Costs.

(a) If, due to either (i) the introduction of or any change (other than any change by way of imposition or increase of reserve requirements included in the Eurodollar Rate Reserve Percentage) in or in the interpretation of any law or regulation or (ii) the compliance with any guideline or request from any central bank or other governmental authority (whether or not having the force of law), there shall be any increase in the cost to any Lender of agreeing to make or making, funding or maintaining Eurodollar Rate Advances, then the Borrower shall from time to time, upon demand by such Lender (with a copy of such demand to the Administrative Agent), pay to the Administrative Agent for the account of such Lender additional amounts sufficient to compensate such Lender for such increased cost. A certificate as to the amount of such increased cost, prepared in good faith and submitted to the Borrower and the Administrative Agent by such Lender, shall be conclusive and binding for all purposes, absent manifest error.

(b) If any Lender determines that compliance with any law or regulation or any guideline or request from any central bank or other governmental authority (whether or not having the force of law) affects or would affect the amount of capital required or expected to be maintained by such Lender or any corporation controlling such Lender and that the amount of such capital is increased by or based upon the existence of such Lender's commitment to lend hereunder and other commitments of this type, then, upon demand by such Lender (with a copy of such demand to the Administrative Agent), the Borrower shall immediately pay to the Administrative Agent for the account of such Lender, from time to time as specified by such Lender, additional amounts sufficient to compensate such Lender or such corporation in the light of such circumstances, to the extent that such Lender reasonably determines such increase in capital to be allocable to the existence of such Lender's commitment to lend hereunder. A certificate as to such amounts, prepared in good faith and submitted to the Borrower and the Administrative Agent by such Lender, shall be conclusive and binding for all purposes, absent manifest error.

SECTION 2.12. Illegality. Notwithstanding any other provision of this Agreement, if any Lender shall notify the Administrative Agent that the introduction of or any change in or in the interpretation of any law or regulation makes it unlawful, or any central bank or other governmental authority asserts that it is unlawful, for such Lender or its Eurodollar Lending Office to perform its obligations hereunder to make or Continue Eurodollar Rate Advances or to fund or otherwise maintain Eurodollar Rate Advances hereunder, (i) the obligation of such Lender to make or Continue, or to Convert Advances into, Eurodollar Rate Advances shall be suspended until the Administrative Agent shall notify the Borrower and the

Lenders that the circumstances causing such suspension no longer exist and (ii) each Eurodollar Rate Advance of such Lender shall convert into a Base Rate Advance at the end of the then current Interest Period for such Eurodollar Rate Advance.

SECTION 2.13. Payments and Computations.

(a) The Borrower shall make each payment hereunder without set-off or counterclaim not later than 12:00 noon (New York City time) on the day when due in Dollars to the Administrative Agent at its address referred to in Section 8.02 in same day funds. The Administrative Agent will promptly thereafter cause to be distributed like funds relating to the payment of principal, interest, Facility Fee or Utilization Fee ratably (other than amounts payable pursuant to Section 2.02(c), 2.11, 2.14 or 8.04(c)) to the Lenders for the account of their respective Applicable Lending Offices, and like funds relating to the payment of any other amount payable to any Lender to such Lender for the account of its Applicable Lending Office, in each case to be applied in accordance with the terms of this Agreement. Upon its acceptance of an Assignment and Acceptance and recording of the information contained therein in the Register pursuant to Section 8.06(d), from and after the Closing Date specified in such Assignment and Acceptance, the Administrative Agent shall make all payments hereunder in respect of the interest assigned thereby to the Lender assignee thereunder, and the parties to such Assignment and Acceptance shall make all appropriate adjustments in such payments for periods prior to such Closing Date directly between themselves.

(b) All computations of interest based on Citibank's base rate shall be made by the Administrative Agent on the basis of a year of 365 or 366 days, as the case may be, for the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable. All computations of interest based on the Eurodollar Rate or the Federal Funds Rate and of the Facility Fee and the Utilization Fee shall be made by the Administrative Agent, and all computations of interest pursuant to Section 2.07 shall be made by the relevant Lender, on the basis of a year of 360 days, for the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest or fee is payable. Each determination by the Administrative Agent of an interest rate hereunder shall be conclusive and binding for all purposes, absent manifest error.

(c) Whenever any payment hereunder would be due on a day other than a Business Day, such due date shall be extended to the next succeeding Business Day, and any such extension of such due date shall in such case be included in the computation of payment of interest, Facility Fee and Utilization Fee, as the case may be; provided however that if such extension would cause payment of interest on or principal of Eurodollar Rate Advances to fall due in the next following calendar month, such payment shall be made on the next preceding Business Day.

(d) Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Lenders hereunder that the Borrower will not make such payment in full, the Administrative Agent may assume that the Borrower has made such payment in full to the Administrative Agent on such date and the Administrative Agent may, in reliance upon such assumption, cause to be distributed to each

Lender on such due date an amount equal to the amount then due such Lender. If and to the extent that the Borrower shall not have so made such payment in full to the Administrative Agent, each Lender shall repay to the Administrative Agent forthwith on demand such amount distributed to such Lender together with interest thereon, for each day from the date such amount is distributed to such Lender until the date such Lender repays such amount to the Administrative Agent, at the Federal Funds Rate.

SECTION 2.14. Taxes.

(a) Any and all payments by the Borrower hereunder shall be made, in accordance with Section 2.13, free and clear of and without deduction for any and all present or future taxes, levies, imposts, deductions, charges or withholdings, and all liabilities with respect thereto, excluding, in the case of each Lender and the Administrative Agent, taxes imposed on its income, and franchise taxes imposed on it, by the jurisdiction under the laws of which such Lender or the Administrative Agent (as the case may be) is organized or any political subdivision thereof and, in the case of each Lender, taxes imposed on its income, and franchise taxes imposed on it, by the jurisdiction of such Lender's Applicable Lending Office or any political subdivision thereof (all such non-excluded taxes, levies, imposts, deductions, charges, withholdings and liabilities being hereinafter referred to as "Taxes"). If the Borrower shall be required by law to deduct any Taxes from or in respect of any sum payable hereunder to any Lender or the Administrative Agent, (i) the sum payable shall be increased as may be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 2.14) such Lender or the Administrative Agent (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrower shall make such deductions and (iii) the Borrower shall pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable law.

(b) In addition, the Borrower agrees to pay any present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies which arise from any payment made hereunder or from the execution, delivery or registration of, or otherwise with respect to, this Agreement (hereinafter referred to as "Other Taxes").

(c) The Borrower will indemnify each Lender and the Administrative Agent for the full amount of Taxes or Other Taxes (including, without limitation, any Taxes and Other Taxes imposed by any jurisdiction on amounts payable under this Section 2.14) paid by such Lender or the Administrative Agent (as the case may be) and any liability (including penalties, interest and expenses) arising therefrom or with respect thereto, whether or not such Taxes or Other Taxes were correctly or legally asserted. This indemnification shall be made within 30 days from the date such Lender or the Administrative Agent (as the case may be) makes written demand therefor. A certificate as to the amount of such Taxes and Other Taxes, submitted to the Borrower and the Administrative Agent by such Lender, shall be conclusive and binding (as between the Borrower, the Lenders and the Administrative Agent) for all purposes, absent manifest error.

(d) Within 30 days after the date of any payment of Taxes, the Borrower will furnish to the Administrative Agent, at its address referred to in Section 8.02, the original or a

certified copy of a receipt evidencing payment thereof or other proof of payment of such Taxes reasonably satisfactory to the relevant Lender(s). If no Taxes are payable in respect of any payment hereunder, upon the request of the Administrative Agent the Borrower will furnish to the Administrative Agent, at such address, a statement to such effect with respect to each jurisdiction designated by the Administrative Agent.

(e) Each Lender organized under the laws of a jurisdiction outside the United States, on or prior to the date of its execution and delivery of this Agreement (in the case of each Bank) and on the date of the Assignment and Acceptance pursuant to which it becomes a Lender (in the case of each other Lender), and from time to time thereafter if requested in writing by the Borrower (but only so long as such Lender remains lawfully able to do so), shall provide the Borrower with Internal Revenue Service form W-8BEN or W-8ECI, as appropriate, or any successor form prescribed by the Internal Revenue Service, certifying that such Lender is entitled to benefits under an income tax treaty to which the United States is a party which reduces the rate of withholding tax on payments of interest or certifying that the income receivable pursuant to this Agreement is effectively connected with the conduct of a trade or business in the United States. If the form provided by a Lender at the time such Lender first becomes a party to this Agreement indicates a United States interest withholding tax rate in excess of zero, withholding tax at such rate shall be considered excluded from "Taxes" as defined in Section 2.14(a).

(f) For any period with respect to which a Lender has failed to provide the Borrower with the appropriate form described in Section 2.14(e) (other than if such failure is due to a change in law occurring subsequent to the date on which a form originally was required to be provided, or if such form otherwise is not required under the first sentence of subsection (e) above), such Lender shall not be entitled to indemnification under Section 2.14(a) or (c) with respect to Taxes imposed by the United States; provided however that should a Lender become subject to Taxes because of its failure to deliver a form required hereunder, the Borrower shall take such steps as the Lender may reasonably request to assist the Lender to recover such Taxes.

(g) Any Lender claiming any additional amounts payable pursuant to this Section 2.14 shall use reasonable efforts (consistent with its internal policy and legal and regulatory restrictions) to change the jurisdiction of its Applicable Lending Office(s) if the making of such a change would avoid the need for, or reduce the amount of, any such additional amounts that may thereafter accrue and would not, in the reasonable judgment of such Lender, be otherwise disadvantageous to such Lender.

SECTION 2.15. Set-Off; Sharing of Payments, Etc.

(a) Without limiting any of the obligations of the Borrower or the rights of the Lenders hereunder, if the Borrower shall fail to pay when due (whether at stated maturity, by acceleration or otherwise) any amount payable by it hereunder or under any Note each Lender may, without prior notice to the Borrower (which notice is expressly waived by it to the fullest extent permitted by applicable law), set off and appropriate and apply against such amount any and all deposits (general or special, time or demand, provisional or final, in any currency, matured or unmatured) and other obligations and liabilities at any time held or owing by such Lender or any branch or agency thereof to or for the credit or account of the Borrower. Each

Lender shall promptly provide notice of such set-off to the Borrower, provided that failure by such Lender to provide such notice shall not affect the validity of such set-off and application.

(b) If any Lender shall obtain any payment (whether voluntary, involuntary, through the exercise of any right of set-off, or otherwise) on account of the Advances made by it (other than pursuant to Section 2.02(c), 2.11, 2.14 or 8.04(c)) in excess of its ratable share of payments on account of the Advances obtained by all the Lenders, such Lender shall forthwith purchase from the other Lenders such participations in the Advances made by them or make such other adjustments as shall be necessary to cause such purchasing Lender to share the excess payment ratably with each of them; provided however that if all or any portion of such excess payment is thereafter recovered from such purchasing Lender, such purchase from each Lender shall be rescinded and such Lender shall repay to the purchasing Lender the purchase price to the extent of such recovery together with an amount equal to such Lender's ratable share (according to the proportion of (i) the amount of such Lender's required repayment to (ii) the total amount so recovered from the purchasing Lender) of any interest or other amount paid or payable by the purchasing Lender in respect of the total amount so recovered. The Borrower agrees that any Lender so purchasing a participation from another Lender pursuant to this Section 2.15 may, to the fullest extent permitted by law, exercise all its rights of payment (including the right of set-off) with respect to such participation as fully as if such Lender were the direct creditor of the Borrower in the amount of such participation.

SECTION 2.16. Right to Replace a Lender. If the Borrower is required to make any additional payment pursuant to Section 2.11 or 2.14 to any Lender or if any Lender's obligation to make or Continue, or to Convert Advances into, Eurodollar Rate Advances shall be suspended pursuant to Section 2.12 (in each case, such Lender being an "Affected Person"), the Borrower may elect, if such amounts continue to be charged or such suspension is still effective, to replace such Affected Person as a party to this Agreement; provided that, no Default or Event of Default shall have occurred and be continuing at the time of such replacement; and provided further that, concurrently with such replacement, (i) another financial institution which is an Eligible Assignee and is reasonably satisfactory to the Borrower and the Administrative Agent shall agree, as of such date, to purchase for cash the Advances of the Affected Person pursuant to an Assignment and Acceptance and to become a Lender for all purposes under this Agreement and to assume all obligations (including all outstanding Advances) of the Affected Person to be terminated as of such date and to comply with the requirements of Section 8.06 applicable to assignments, and (ii) the Borrower shall pay to such Affected Person in same day funds on the day of such replacement all accrued interest, accrued fees and other amounts then owing to such Affected Person by the Borrower hereunder to and including the date of termination, including without limitation payments due such Affected Person under Section 2.11 and 2.14.

SECTION 2.17. Evidence of Indebtedness. (a) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to such Lender resulting from each Advance made by such Lender, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(b) The Administrative Agent shall maintain accounts in which it shall record (i) the date, amount, Type, interest rate and duration of Interest Period (if applicable) of each

Advance made hereunder, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder for the account of the Lenders and each Lender's share thereof.

(c) The entries made in the accounts maintained pursuant to clause (a) or (b) of this Section 2.17 shall be prima facie evidence of the existence and amounts of the obligations recorded therein; provided that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrower to repay the Advances in accordance with the terms of this Agreement.

(d) Any Lender may request that its Advances be evidenced by a promissory note. In such event, the Borrower will promptly prepare, execute and deliver to such Lender a promissory note (a "Note") payable to the order of such Lender, in a form approved by the Administrative Agent, in a principal amount equal to the amount of such Lender's Commitment and otherwise duly completed.

SECTION 2.18. Extension of Commitments. (a) The Borrower may, not earlier than 90 days and not later than 60 days before the Commitment Termination Date, by notice to the Administrative Agent request that the Commitment Termination Date then in effect (the "Existing Commitment Termination Date") be extended to the date 364 days after the Existing Commitment Termination Date. The Administrative Agent shall promptly notify the Lenders of such request. The Borrower may make this extension request only once.

(b) Each Lender, in its sole discretion, shall, by notice to the Administrative Agent given not more than 60 nor less than 50 days before the Existing Commitment Termination Date, advise the Administrative Agent whether or not such Lender agrees to such extension. A Lender that determines not to so extend its Commitment shall so notify the Administrative Agent promptly after making such determination and is herein called a "Non-Extending Lender". If a Lender does not give timely notice to the Administrative Agent of whether or not such Lender agrees to such extension, it shall be deemed to be a Non-Extending Lender.

(c) The Administrative Agent shall notify the Borrower of each Lender's determination on or before the date 45 days before the Existing Commitment Termination Date.

(d) If and only if (i) the total of the Commitments of Lenders that have agreed to extend their Commitments as herein provided is more than 75% of the aggregate amount of the Commitments in effect immediately prior to the Existing Commitment Termination Date, and (ii) immediately prior to the Existing Commitment Termination Date no Default has occurred and is continuing and the representations and warranties of the Borrower set forth in Section 4.01 shall be true and correct in all material respects on and as of the Existing Commitment Termination Date as though made on and as of such date, then effective on the Existing Commitment Termination Date the Commitment Termination Date shall be extended to the date 364 days after the Existing Commitment Termination Date (or, if such day is not a Business Day, the immediately preceding Business Day) which date shall thereafter be the Commitment

Termination Date, provided that the Commitment of each Non-Extending Lender shall in any event terminate on the Existing Commitment Termination Date and the Borrower shall pay in full on the Existing Termination Date all amounts payable to each Non-Extending Lender hereunder.

ARTICLE 3
CONDITIONS OF LENDING

SECTION 3.01. Conditions Precedent to Initial Borrowing. The obligation of each Lender to make an Advance on the occasion of the initial Borrowing is subject to the condition precedent that the Closing Date shall occur on or before December 31, 2002 and that the Administrative Agent shall have received the following, each (unless otherwise specified below) dated the Closing Date, in form and substance satisfactory to the Administrative Agent and (except for the items in clauses (a), (b) and (c)) in sufficient copies for each Lender:

(a) Certified copies of (x) the charter and by-laws of the Borrower, (y) the resolutions of the Board of Directors of the Borrower authorizing the making and performance by the Borrower of this Agreement and the transactions contemplated hereby, and (z) documents evidencing all other necessary corporate action and governmental approvals, if any, with respect to this Agreement.

(b) A certificate of the Secretary or an Assistant Secretary of the Borrower certifying the names and true signatures of the officers of the Borrower authorized to sign this Agreement and the other documents to be delivered hereunder.

(c) A certificate from the Secretary of State of the State of Delaware dated a date reasonably close to the date hereof as to the good standing of and charter documents filed by the Borrower.

(d) A favorable opinion of Kennedy Covington Lobdell & Hickman, L.L.P., special counsel to the Borrower, substantially in the form of Exhibit C hereto.

(e) A favorable opinion of Milbank, Tweed, Hadley & McCloy LLP, special New York counsel to the Administrative Agent, substantially in the form of Exhibit D hereto.

(f) A certificate of a Responsible Officer of the Borrower certifying that (i) no Default or Event of Default as of the date thereof has occurred and is continuing, and (ii) the representations and warranties contained in Section 4.01 are true and correct on and as of the date thereof as if made on and as of such date.

(g) Evidence of the termination of the commitment of each lender under the Existing Credit Agreement and of the payment by the Borrower of all amounts whatsoever payable by it under the Existing Credit Agreement.

(h) The Communications Agreement, duly extended and delivered by the Borrower and the Administrative Agent.

(i) Such other documents relating to this Agreement and the transactions contemplated hereby as the Administrative Agent or any Lender through the Administrative Agent may reasonably request.

SECTION 3.02. Conditions Precedent to Each Borrowing. The obligation of each Lender to make an Advance on the occasion of each Borrowing (including without limitation the initial Borrowing) shall be subject to the further conditions precedent that on the date of such Borrowing the following statements shall be true (and each of the giving of the applicable Notice of Borrowing and the acceptance by the Borrower of the proceeds of such Borrowing shall constitute a representation and warranty by the Borrower that on the date of such Borrowing such statements are true):

(a) the representations and warranties contained in Section 4.01 (excluding, in the case of any Borrowing after the initial Borrowing, the Excluded Representations) shall be true and correct in all material respects on and as of the date of such Borrowing, before and after giving effect to such Borrowing and to the application of the proceeds therefrom, as though made on and as of such date; and

(b) No Default shall have occurred and be continuing, or would result from such Borrowing or from the application of the proceeds thereof.

ARTICLE 4
REPRESENTATIONS AND WARRANTIES

SECTION 4.01. Representations and Warranties of the Borrower. The Borrower represents and warrants as follows:

(a) The Borrower and each of its Material Subsidiaries (i) is duly organized, validly existing and in good standing under the laws of its jurisdiction of organization, (ii) is duly qualified and in good standing in each other jurisdiction in which it owns or leases property or in which the conduct of its business requires it to so qualify or be licensed and where, in each case, failure so to qualify and be in good standing could have a Material Adverse Effect and (iii) has all requisite power and authority to own or lease and operate its Property and to carry on its business as now conducted and as proposed to be conducted.

(b) The making and performance by the Borrower of this Agreement are within the Borrower's corporate powers, have been duly authorized by all necessary corporate action, and do not violate (i) any provision of the Borrower's charter or by-laws, (ii) any agreement, indenture or other contractual restriction binding on the Borrower, (iii) any law, rule or regulation (including, without limitation, the Securities Act of 1933 and the Exchange Act and the regulations thereunder, and Regulations T, U

or X), or (iv) any order, writ, judgment, injunction, decree, determination or award binding on the Borrower. The Borrower is not in violation of any such law, rule, regulation, order, writ, judgment, injunction, decree, determination or award or in breach of any contractual restriction binding upon it, except for such violation or breach which would not have a Material Adverse Effect.

(c) No authorization or approval or other action by, and no notice to or filing with, any Governmental Authority is required (other than those which have been obtained) for the making and performance by the Borrower of this Agreement or for the legality, validity, binding effect or enforceability thereof.

(d) This Agreement constitutes a legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms, except as may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or affecting the rights of creditors generally and except as the enforceability of this Agreement is subject to the application of general principles of equity (regardless of whether considered in a proceeding in equity or at law), including, without limitation, (i) the possible unavailability of specific performance, injunctive relief or any other equitable remedy and (ii) concepts of materiality, reasonableness, good faith and fair dealing.

(e) (i) The consolidated balance sheet of the Borrower and its Consolidated Subsidiaries as at December 30, 2001 and the related consolidated statements of income and retained earnings and changes in financial position for the fiscal year ended on such date, certified by Pricewaterhouse Coopers L.L.P., copies of which have heretofore been furnished to each Lender, are complete and correct in all material respects and present fairly the consolidated financial condition of the Borrower and its Consolidated Subsidiaries as at such date, and the consolidated results of their operations and changes in financial position for the fiscal year then ended.

(ii) The unaudited consolidated balance sheet of the Borrower and its Consolidated Subsidiaries as at September 29, 2002, and the related unaudited consolidated statements of income and retained earnings and changes in financial position for the nine-month period ended on such date, certified by a Responsible Officer, copies of which have heretofore been furnished to each Lender, are complete and correct in all material respects and present fairly the consolidated financial condition of the Borrower and its Consolidated Subsidiaries as at such date, and the consolidated results of their operations and changes in financial position for the nine-month period then ended (subject to normal year-end audit adjustments).

(iii) All such financial statements, including the related schedules and notes thereto, have been prepared in accordance with GAAP for the periods involved.

(iv) Neither the Borrower nor any of its Consolidated Subsidiaries has any material Contingent Obligation or liability for taxes, long-term lease or unusual forward

or long-term commitment which is not reflected herein or in the schedules and exhibits hereto or in the foregoing statements or in the notes thereto.

(f) Since December 30, 2001, no Material Adverse Change has occurred.

(g) Except as disclosed in Schedule III, no litigation, investigation or proceeding of or before any court or Governmental Authority is pending or, to the knowledge of the Borrower, threatened by or against the Borrower or any of its Material Subsidiaries or against any of its or their respective Property or revenues (i) with respect to this Agreement or the Notes or any of the transactions contemplated hereby or (ii) which, in the reasonable judgment of the Borrower, would have a Material Adverse Effect.

(h) The Borrower is not engaged in the business of extending credit for the purpose of purchasing or carrying Margin Stock, and no proceeds of any Advance will be used for the purpose, whether immediate, incidental or ultimate, of buying or carrying Margin Stock, or for any purpose that violates or would be inconsistent with the provisions of Regulations T, U and X.

(i) The Borrower is not an “investment company”, or a Person “controlled by” an “investment company”, as such terms are defined in the Investment Company Act of 1940, as amended.

(j) All information that has been made available by the Borrower or any of its representatives to the Administrative Agent or any Lender in connection with the negotiation of this Agreement was, on or as of the dates on which such information was made available, complete and correct in all material respects and did not contain any untrue statement of a material fact or omit to state a fact necessary to make the statements contained therein not misleading in light of the time and circumstances under which such statements were made.

(k) A copy of the most recent Annual Report (5500 Series Form), including all attachments thereto, filed with the Internal Revenue Service for each Plan, has been provided to the Administrative Agent and fairly presents the funding status of each Plan. There has been no deterioration in any single Plan’s funding status, or, collectively, all of the Plan’s funding status since the date of such Annual Report that could reasonably be expected to have a Material Adverse Effect. The Borrower has provided the Administrative Agent with a list of all Plans and Multiemployer Plans and all available information with respect to direct, indirect, or potential withdrawal liability to any Multiemployer Plan of the Borrower or any member of a Controlled Group.

(l) The Borrower and each of its Material Subsidiaries is in compliance with all laws, statutes, rules, regulations and orders binding on or applicable to the Borrower or such Material Subsidiary (including, without limitation, all Environmental Laws) and all of their respective Property, subject to the possible implications of the litigation and proceedings described in Schedule III and except to the extent failure to so comply could

not (either individually or in the aggregate) reasonably be expected to have a Material Adverse Effect.

(m) Each of the Borrower and its Subsidiaries has filed or caused to be filed all tax returns which to the knowledge of the Borrower are required to be filed and has paid all taxes shown to be due and payable on said returns or on any assessments made against it or any of its Property and all other taxes, fees or other charges imposed on it or any of its Property by any Governmental Authority (other than those the amount or validity of which is currently being contested in good faith by appropriate proceedings and with respect to which reserves in conformity with GAAP have been provided on the books of the Borrower or its Subsidiaries, as the case may be, or those the failure to pay which, in the aggregate, would not be materially adverse to the business, operations, Property or financial or other condition of the Borrower and its Subsidiaries taken as a whole); and (i) no tax liens have been filed and (ii) to the knowledge of the Borrower, no claims are being asserted with respect to any such taxes, fees or other charges, which, either individually or in the aggregate, are in excess of $1,000,000.

(n) Schedule IV contains an accurate list of all of the presently existing Subsidiaries and Material Subsidiaries, setting forth their respective jurisdictions of incorporation and the percentage of their respective outstanding capital stock or other equity interests owned by the Borrower or other Subsidiaries and all of the issued and outstanding shares of capital stock or other equity interests of the Subsidiaries have been duly authorized and issued and are fully paid and non-assessable.

(o) The agreements identified on Schedule V (the “Material Agreements”) are all of the material business contracts (other than purchase and sales agreements and credit agreements) to which the Borrower or any Material Subsidiary is a party; each Material Agreement is in full force and effect; and the Borrower and its Material Subsidiaries are in full compliance with the terms and provisions applicable to them contained in the Material Agreements.

(p) The Borrower is, and immediately after the making of each Borrowing will be, Solvent.

ARTICLE 5
COVENANTS OF THE BORROWER

SECTION 5.01. Covenants. So long as any Commitment shall remain in effect and until payment in full of all amounts payable by the Borrower hereunder, unless the Majority Lenders shall otherwise consent in writing:

(a) Financial Statements. The Borrower will furnish to each Lender:

(i) as soon as available, but in any event within 90 days after the end of each fiscal year of the Borrower, copies of the consolidated balance sheet of the Borrower and its Consolidated Subsidiaries as at the end of such year and of the related consolidated

statements of income and retained earnings and changes in financial position for such year, setting forth in each case in comparative form the figures for the previous year, certified without qualification arising out of the scope of the audit, by independent certified public accountants of nationally recognized standing;

(ii) as soon as available, but in any event not later than 45 days after the end of each of the first three quarterly periods of each fiscal year of the Borrower, copies of the unaudited consolidated balance sheet of the Borrower and its Consolidated Subsidiaries as at the end of such quarter and of the related unaudited consolidated statements of income and retained earnings and changes in financial position of the Borrower and its Consolidated Subsidiaries for such quarterly period and the portion of the fiscal year through such date, setting forth in each case in comparative form figures for the previous year, certified by a Responsible Officer (subject to normal year-end audit adjustments);

(iii) concurrently with the delivery of the financial statements referred to in clauses (i) and (ii) above, a Compliance Certificate;

(iv) promptly upon the filing thereof, copies of all registration statements and annual, quarterly or other regular reports which the Borrower files with the Securities and Exchange Commission or any securities exchange; and

(v) such other information relating to the Borrower and its Subsidiaries as the Administrative Agent or any Lender may from time to time reasonably request.

All such financial statements shall be complete and correct in all material respects and shall be prepared in reasonable detail and in accordance with GAAP applied consistently throughout the periods reflected therein (except as approved by such accountants or officer, as the case may be, and disclosed therein). The Borrower agrees to comply with the terms of the Communications Agreement.

(b) Use of Proceeds. The Borrower will, and will cause each Subsidiary to, use the proceeds of the Advances solely for its general corporate purposes; provided that neither the Administrative Agent nor any Lender shall have any responsibility as to the use of any such proceeds.

(c) Certain Notices.

(1) The Borrower will give notice in writing to the Administrative Agent and the Lenders of (i) the occurrence of any Default or Event of Default and (ii) any change in the rating of the long-term senior unsecured non-credit-enhanced debt obligations of the Borrower by Moody’s or Standard & Poor’s, each such notice to be given promptly and in any event within five days after occurrence thereof.

(2) Promptly after the Borrower, any member of a Controlled Group or any administrator of a Plan:

(i) receives the notification referred to in clauses (i), (iv) or (vii) of Section 6.01(h),

(ii) has knowledge of (A) the occurrence of a Reportable Event with respect to a Plan; (B) any event which has occurred or any action which has been taken to amend or terminate a Plan as referred to in clauses (ii) and (vi) of Section 6.01(h); (C) any event which has occurred or any action which has been taken which could result in complete withdrawal, partial withdrawal, or secondary liability for withdrawal liability payments with respect to a Multiemployer Plan as referred to in clause (vii) of Section 6.01(h); or (D) any action which has been taken in furtherance of, any agreement which has been entered into for, or any petition which has been filed with a United States district court for, the appointment of a trustee for a Plan as referred to in clause (iii) of Section 6.01(h), or

(iii) files a notice of intent to terminate a Plan with the Internal Revenue Service or the PBGC; or files with the Internal Revenue Service a request pursuant to Section 412(d) of the Code for a variance from the minimum funding standard for a Plan; or files a return with the Internal Revenue Service with respect to the tax imposed under Section 4971(a) of the Code for failure to meet the minimum funding standards established under Section 412 of the Code for a Plan,

the Borrower will furnish to the Administrative Agent a copy of any notice received, request or petition filed and agreement entered into; the most recent Annual Report (Form 5500 Series) and attachments thereto for the Plan; the most recent actuarial report for the Plan; any notice, return or materials required to be filed with the Internal Revenue Service in connection with the event, action or filing; and a written statement of a Responsible Officer describing the event or the action taken and the reasons therefor.

(d) Conduct of Business. The Borrower will, and will cause each Material Subsidiary to, do all things necessary (if applicable) to remain duly incorporated, validly existing and in good standing as a domestic corporation in its jurisdiction of incorporation and maintain all requisite authority to conduct its business in each jurisdiction in which its business is conducted except where such failure to remain in good standing or to maintain such authority may not reasonably be expected to have a Material Adverse Effect. The Borrower will continue to engage in its business as conducted on the date hereof, and, except where such failure may not reasonably be expected to have a Material Adverse Effect, will cause its Subsidiaries to continue to engage in their business substantially as conducted on the date hereof.

(e) Taxes. The Borrower will, and will cause each Subsidiary to, pay when due all material taxes, assessments and governmental charges and levies upon it or its income, profits or Property, except those which are being contested in good faith by appropriate proceedings and with respect to which adequate reserves have been set aside.

(f) Insurance. The Borrower will, and will cause each Material Subsidiary to, maintain with financially sound and reputable insurance companies insurance on all or substantially all of its Property, in such amounts and covering such risks as is consistent with

sound business practice for Persons in substantially the same industry as the Borrower or such Subsidiary, and the Borrower will furnish to any Lender upon request full information as to the insurance carried.

(g) Compliance with Laws. The Borrower will, and will cause each Subsidiary to, comply with all laws, rules, regulations, orders, writs, judgments, injunctions, decrees or awards to which it may be subject (including ERISA and applicable Environmental Laws), except where the failure to so comply could not reasonably be expected to have a Material Adverse Effect.

(h) Maintenance of Properties. The Borrower will, and will cause each Material Subsidiary to, do all things necessary to maintain, preserve, protect and keep its Property in good repair, working order and condition, and make all necessary and proper repairs, renewals and replacements so that its business carried on in connection therewith may be properly conducted at all times, except where the failure to so maintain, preserve, protect and repair could not reasonably be expected to have a Material Adverse Effect.

(i) Inspection. The Borrower will, and will cause each Subsidiary to, permit the Administrative Agent and the Lenders (coordinated through the Administrative Agent), at their sole cost and expense (except that if an Event of Default has occurred and is continuing, the Borrower will indemnify the Administrative Agent and the Lenders against such cost and expense), to inspect any of the Property, corporate books and financial records of the Borrower and such Subsidiary, to examine and make copies of the books of account and other financial records of the Borrower and each Subsidiary, and to discuss the affairs, finances and accounts of the Borrower and each Subsidiary with, and to be advised as to the same by, their respective officers upon reasonable notice and at such reasonable times during the Borrower's normal business hours and intervals as the Lenders may designate.

(j) Merger. The Borrower will not, and will not permit any Material Subsidiary to, merge or consolidate with or into any other Person, except that (a) a Material Subsidiary may merge into the Borrower or another Material Subsidiary and (b) the Borrower or any Material Subsidiary may merge or consolidate with any other Person, provided that (1) in the case of such a merger or consolidation involving the Borrower, the Borrower shall be the continuing or surviving corporation and (2) in the case of such a merger or consolidation involving a Material Subsidiary, a Material Subsidiary shall be the continuing or surviving corporation, provided further that nothing herein shall be deemed to prohibit a merger or consolidation by a Subsidiary with or into another Person (other than the Borrower) in connection with an exchange of bottling territories permitted under Sections 5.01(m)(ix) and 5.01(n)(vii), and provided further that in each case, prior to and after giving effect to any such merger or consolidation, no Default or Event of Default shall exist.

(k) Preservation of Material Agreements. Except in connection with dispositions of assets or other transactions permitted by this Agreement, the Borrower will, and will cause its Subsidiaries to, use commercially reasonable efforts to maintain in full force and effect all material agreements necessary for the conduct of the Borrower's business, except where

such failure to so use such commercially reasonable efforts could not reasonably be expected to have a Material Adverse Effect.

(l) Liens. The Borrower will not, and will not permit any Subsidiary to, create, incur, or suffer to exist any Lien in or on the Property of the Borrower or any of its Subsidiaries, whether now owned or hereafter acquired, except:

(i) the existing material Liens listed in Schedule II hereto (and extension, renewal and replacement Liens upon the same Property previously subject to an existing Lien, provided the amount secured by each Lien constituting such an extension, renewal or replacement Lien shall not exceed the amount secured by the Lien previously existing);

(ii) Liens arising from taxes, assessments, or claims described in Section 5.01(o) hereof that are not yet due or that remain payable without penalty or to the extent permitted to remain unpaid under the proviso to such Section 5.01(o);

(iii) deposits or pledges to secure worker's compensation, unemployment insurance, old age benefits or other social security obligations, or in connection with or to secure the performance of bids, tenders, trade contracts or leases, or to secure statutory obligations, or stay, surety or appeal bonds, or other pledges or deposits of like nature and all in the ordinary course of business;

(iv) Liens on Property securing all or part of the purchase price thereof (including without limitation Liens in respect of leases of personal or real Property) and Liens (whether or not assumed) existing in Property at the time of purchase thereof by the Borrower or a Subsidiary, as the case may be (and extension, renewal and replacement Liens upon the same property previously subject to a Lien described in this clause (iv), provided the amount secured by each Lien constituting such extension, renewal or replacement shall not exceed the amount secured by the Lien previously existing), provided that each such Lien is confined solely to the Property so purchased, improvements thereto and proceeds thereof;

(v) Liens resulting from progress payments or partial payments under United States Government contracts or subcontracts thereunder;

(vi) Liens arising from legal proceedings, so long as such proceedings are being contested in good faith by appropriate proceedings diligently conducted and execution is stayed on all judgments resulting from any such proceedings; and

(vii) zoning restrictions, easements, minor restrictions on the use of real property, minor irregularities in title thereto and other minor Liens that do not in the aggregate materially detract from the value of a Property to, or materially impair its use in the business of, the Borrower or such Subsidiary.

(m) Investments. The Borrower will not, and will not permit any Subsidiary to, at any time purchase, acquire or own any stock, bonds, notes or other securities of, or any partnership or other interest in, or make any capital contribution to, any other Person (any of the foregoing being referred to in this clause (m) as an "investment"), except:

(i) investments, in addition to those otherwise permitted hereunder, listed on Schedule VI;

(ii) investments in Subsidiaries listed in Schedule VI and investments in any cooperative providing bottling, canning or other productive goods or services to the Borrower or any Subsidiary;

(iii) investments in obligations backed by the full faith and credit of the United States of America;

(iv) investments in certificates of deposit issued (i) by any of the Lenders, or (ii) by any bank or by United States or Canadian commercial banks having shareholders' equity of at least $500,000,000 and whose long term obligations are rated "AA" or "Aa" by Standard & Poor's or Moody's, respectively;

(v) investments in commercial paper or corporate promissory notes maturing, or which may be redeemed by the holder, not more than six months after the date of acquisition and rated "A-1" by Standard & Poor's Corporation or "P-1" by Moody's;

(vi) investments in repurchase agreements held in safekeeping at substantial repositories and secured by investments of the kind listed in clauses (iii), (iv) and (v) above;

(vii) investments in time deposits denominated in Dollars in commercial banks (including branch offices of United States banks) located in Western Europe and having shareholders' equity of at least $500,000,000;

(viii) investments in assets, franchises and businesses after the date hereof, the result of which does not cause the Borrower to violate any term of this Section 5.01, and as to which in the case of each such investment, the chief financial officer of the Borrower shall have sent to each Bank a certificate certifying that the acquisition is permitted hereunder including this clause (m), and in the event that the purchase price of any soft drink bottling assets, franchises and business acquired singly or as a group exceeds $50,000,000 shall have sent to each Lender a copy of audited and/or unaudited financial statements for the most recently completed fiscal year and interim period relating to the assets, franchises and businesses acquired;

(ix) investments in Persons, assets, franchises and businesses after the date hereof in connection with an exchange of bottling territories; provided that on a pro forma basis after giving effect to each such investment (including without limitation giving effect to Acquisition Cash Flow for the relevant period) and the related disposition

of bottling territories by the Borrower or its Subsidiaries, the Borrower remains in compliance with the covenants set forth in Sections 5.01(q) and (r);

(x) investments in wholly-owned Subsidiaries formed for the purpose of making investments permitted hereunder; and

(xi) other investments not exceeding $5,000,000 in the aggregate at any time for the Borrower and all Subsidiaries; provided that anything herein to the contrary notwithstanding, the Borrower will not, and will not permit its Subsidiaries to, acquire controlling interests in any Person or Persons whose principal business is outside the beverage industry if the aggregate consideration paid in respect of all such acquisitions after the date hereof would exceed $125,000,000.

(n) Asset Dispositions. The Borrower will not, and will not permit any Subsidiary to, sell, convey, assign, abandon or otherwise transfer or dispose of, voluntarily or involuntarily (any of the foregoing being referred to in this clause (n) as a "transaction" and any series of related transactions constituting but a single transaction), any of its Property, tangible or intangible, except:

(i) transactions (including sales of trucks, vending machines and other equipment) in the ordinary course of business;

(ii) transactions between Consolidated Subsidiaries or between the Borrower and Consolidated Subsidiaries;

(iii) any sale of real property not used in the current operations of the Borrower, provided that the aggregate proceeds of sales pursuant to this clause (iii) shall not exceed $25,000,000 in any fiscal year of the Borrower;

(iv) other sales, conveyances, assignments or other transfers or dispositions in immediate exchange for cash or tangible assets, subject to prior approval in each case by the Majority Lenders;

(v) other sales, conveyances, assignments or other transfers or dispositions that do not in the aggregate exceed $10,000,000 in any fiscal year of the Borrower;

(vi) the sale for cash of any and all accounts receivable in a face amount not to exceed $50,000,000;

(vii) dispositions of Persons, assets, franchises and businesses after the date hereof in connection with an exchange of bottling territories; provided that on a pro forma basis after giving effect to any such disposition and the related acquisition of bottling territories by the Borrower or its Subsidiaries, the Borrower remains in compliance with the covenants set forth in Sections 5.01(q) and (r); and

(viii) transfers or dispositions for cash, other than as provided by clauses (i) through (vii) above, if on the date of the consummation thereof, if such date is prior to the Commitment Termination Date, the Commitments are permanently reduced on such date by the amount equal to the cash proceeds of such transfers or dispositions less the amount of transaction costs and income taxes incurred by the Borrower or one of its Subsidiaries in connection with such transfer or disposition.

(o) Taxes. The Borrower will, and will cause each Subsidiary to, pay or discharge any of the following described taxes, assessments, charges, levies, claims and liabilities which are material to the Borrower and its Subsidiaries when taken as a whole:

(i) on or prior to the date on which penalties attach thereto, all taxes, assessments and other governmental charges or levies imposed upon it or any of its Property or income;

(ii) on or prior to the date when due, all lawful claims of materialmen, mechanics, carriers, warehousemen, landlords and other like Persons which, if unpaid, might result in the creation of a Lien upon any such Property; and

(iii) on or prior to the date when due, all other lawful claims which, if unpaid, might result in the creation of a Lien upon any such Property (other than Liens not forbidden by Section 5.01(l) hereof) or which, if unpaid, might give rise to a claim entitled to priority over general creditors of the Borrower or such Subsidiary in a case under Title 11 (Bankruptcy) of the United States Code, as amended, or in any insolvency proceeding or dissolution or winding-up involving the Borrower or such Subsidiary;

provided that unless and until foreclosure, distraint, levy, sale or similar proceedings shall have been commenced, the Borrower or such Subsidiary need not pay or discharge any such tax, assessment, charge, levy, claim or current liability so long as the validity thereof is contested in good faith and by appropriate proceedings diligently conducted and so long as such reserves or other appropriate provisions as may be required by GAAP shall have been made therefor and so long as such failure to pay or discharge does not have a material adverse effect on the business, operations or financial condition of the enterprise comprised of the Borrower and its Subsidiaries taken as a whole.

(p) Subsidiary Debt. The Borrower will not permit any Subsidiary to incur or permit to exist any Indebtedness except Indebtedness to the Borrower or another Subsidiary.

(q) Cash Flow/Fixed Charges Ratio. The Borrower will not permit the Cash Flow/Fixed Charges Ratio, as determined quarterly as of the last day of each fiscal quarter of the Borrower (and treating such fiscal quarter as having been completed), to be less than 1.5 to 1.

(r) Consolidated Funded Indebtedness/Cash Flow Ratio. The Borrower will not permit the Consolidated Funded Indebtedness/Cash Flow Ratio, as determined quarterly as of the

last day of each fiscal quarter of the Borrower (and treating such fiscal quarter as having been completed), to exceed 6.0 to 1.

(s) The Borrower will not, and will not permit its Subsidiaries to, incur Contingent Obligations in respect of Indebtedness of any Person in excess of $100,000,000 in the aggregate at any time (excluding Contingent Obligations existing on the date hereof and disclosed in Schedule VII).

ARTICLE 6
EVENTS OF DEFAULT

SECTION 6.01. Events of Default. If any of the following events ("Events of Default") shall occur and be continuing:

(a) The Borrower shall fail to pay any principal of any Advance when the same becomes due and payable; or the Borrower shall fail to pay any interest on any Advance or any Facility Fee or Utilization Fee or any other amount payable hereunder when due and such failure remains unremedied for three Business Days; or

(b) Any representation or warranty made by the Borrower herein or by the Borrower (or any of its officers) in any certificate or opinion delivered in connection with this Agreement shall prove to have been incorrect in any material respect when made or deemed made; or

(c) (i) The Borrower shall fail to perform or observe any term, covenant or agreement contained in Sections 5.01(b), (c)(1), (j), (q) or (r), (ii) the Borrower shall fail to perform or observe the covenant contained in Section 5.01(a) and such failure remains unremedied for five Business Days or (iii) Borrower shall fail to perform or observe any other term, covenant or agreement contained in this Agreement on its part to be performed or observed, and such failure, in the case of this clause (iii), remains unremedied for 30 days after notice thereof shall have been given to the Borrower by the Administrative Agent; or

(d) The Borrower or any of its Subsidiaries shall fail to pay any principal of or interest on any other Indebtedness which is outstanding in an aggregate principal amount of at least $25,000,000, or its equivalent in other currencies (in this clause (d) called "Material Indebtedness"), in the aggregate when the same becomes due and payable (whether at scheduled maturity, by required prepayment, acceleration, demand or otherwise); or any other event shall occur or condition shall exist under any agreement or instrument relating to any Material Indebtedness and shall continue after the applicable grace period, if any, specified in such agreement or instrument, if the effect of such event or condition is to accelerate, or to permit the acceleration of, the maturity of such Material Indebtedness, or to require the same to be prepaid or defeased (other than by a regularly required payment); or

(e) The Borrower or any of its Subsidiaries shall generally not pay its debts as such debts become due, or shall admit in writing its inability to pay its debts generally, or shall make a general assignment for the benefit of creditors; or any proceeding shall be instituted by or against the Borrower or any of its Subsidiaries seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its Property and such proceeding shall remain undismissed or unstayed for a period of 60 days; or the Borrower or any of its Subsidiaries shall take any corporate action to authorize any of the actions set forth above in this subsection (e); or

(f) (i) The Borrower or any of its Subsidiaries shall commence any case, proceeding or other action (A) under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief or composition with respect to it or its debts under any such law, or (B) seeking appointment of a receiver, trustee, custodian, conservator or other similar official for it or for all or any substantial part of its Property, or the Borrower or any of its Subsidiaries shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against the Borrower or any of its Subsidiaries any case, proceeding or other action of a nature referred to in clause (i) above which (A) results in the entry of an order for relief or any such adjudication or appointment or (B) remains undismissed, undischarged or unbonded for a period of 90 days; or (iii) there shall be commenced against the Borrower or any of its Subsidiaries any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its Property which results in the entry of an order for any such relief which shall not have been vacated, discharged, or stayed or bonded pending appeal within 60 days from the entry thereof; or (iv) the Borrower or any of its Subsidiaries shall take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii), or (iii) above;

(g) A Change in Control shall occur; or

(h) The Majority Lenders shall determine in good faith (which determination shall be conclusive) that the potential liabilities associated with the events set forth in clauses (i) through (vii) below, individually or in the aggregate, could have a Material Adverse Effect:

(i) The PBGC notifies a Plan pursuant to Section 4042 of ERISA by service of a complaint, threat of filing a law suit or otherwise of its determination that an event described in Section 4042(a) of ERISA has occurred, a Plan should be terminated or a trustee should be appointed for a Plan; or

(ii) Any action is taken to terminate a Plan pursuant to its provisions or the plan administrator files with the PBGC a notice of intent to terminate a Plan in accordance with Section 4041 of ERISA; or

(iii) Any action is taken by a plan administrator to have a trustee appointed for a Plan pursuant to Section 4042 of ERISA; or

(iv) A return is filed with the Internal Revenue Service, or a Plan is notified by the Secretary of the Treasury that a notice of deficiency under Section 6212 of the Code has been mailed, with respect to the tax imposed under Section 4971(a) of the Code for failure to meet the minimum funding standards established under Section 412 of the Code; or

(v) A Reportable Event occurs with respect to a Plan; or

(vi) Any action is taken to amend a Plan to become an employee benefit plan described in Section 4021(b)(1) of ERISA, causing a Plan termination under Section 4041(e) of ERISA; or

(vii) The Borrower or any member of a Controlled Group receives a notice of liability or demand for payment on account of complete withdrawal under Section 4203 of ERISA, partial withdrawal under Section 4205 of ERISA or on account of becoming secondarily liable for withdrawal liability payments under Section 4204 of ERISA (sale of assets); or

(i) The Borrower or any of its Subsidiaries shall fail within 30 days to pay, bond or otherwise discharge any judgment or order for the payment of money, either singly or in the aggregate, in excess of $25,000,000, which is not stayed on appeal or otherwise being appropriately contested in good faith;

then, and in any such event, the Administrative Agent (i) shall at the request, or may with the consent, of the Majority Lenders, by notice to the Borrower, declare the obligation of each Lender to make Advances to be terminated, whereupon the same shall forthwith terminate, and (ii) shall at the request, or may with the consent, of the Majority Lenders, by notice to the Borrower, declare the Advances, all interest thereon and all other amounts payable under this Agreement to be forthwith due and payable, whereupon the Advances, all such interest and all such other amounts shall become and be forthwith due and payable, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by the Borrower; provided, however, that in the event of an Event of Default with respect to the Borrower of the kind referred to in clause (e) or (f) above (A) the obligation of each Lender to make Advances shall automatically be terminated and (B) the Advances, all such interest and all such other amounts shall automatically become and be due and payable, without presentment, demand, protest or any notice of any kind, all of which are hereby expressly waived by the Borrower.

ARTICLE 7
THE ADMINISTRATIVE AGENT

SECTION 7.01. Authorization and Action. Each Lender hereby appoints and authorizes the Administrative Agent to take such action as administrative agent on its behalf and to exercise such powers under this Agreement as are delegated to the Administrative Agent by the terms hereof, together with such powers as are reasonably incidental thereto. As to any matters not expressly provided for by this Agreement (including, without limitation, enforcement or collection of the Advances), the Administrative Agent shall not be required to exercise any discretion or take any action, but shall be required to act or to refrain from acting (and shall be fully protected in so acting or refraining from acting) upon the instructions of the Majority Lenders, and such instructions shall be binding upon all Lenders; provided, however, that the Administrative Agent shall not be required to take any action which exposes the Administrative Agent to personal liability or which is contrary to this Agreement or applicable law. The Administrative Agent agrees to give to each Lender prompt notice of each notice given to it by the Borrower pursuant to the terms of this Agreement.

SECTION 7.02. Administrative Agent's Reliance, Etc. Neither the Administrative Agent nor any of its directors, officers, agents or employees shall be liable to the Lenders for any action taken or omitted to be taken by it or them under or in connection with this Agreement, except for its or their own gross negligence or willful misconduct. Without limitation of the generality of the foregoing, the Administrative Agent: (i) may consult with legal counsel (including counsel for the Borrower), independent public accountants and other experts selected by it and shall not be liable to the Lenders for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel, accountants or experts; (ii) makes no warranty or representation to any Lender and shall not be responsible to any Lender for any statements, warranties or representations (whether written or oral) made in or in connection with this Agreement; (iii) shall not have any duty to ascertain or to inquire as to the performance or observance of any of the terms, covenants or conditions of this Agreement on the part of the Borrower or to inspect the property (including the books and records) of the Borrower or any of its Subsidiaries; (iv) shall not be responsible to any Lender for the due execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement or any other instrument or document furnished pursuant hereto; and (v) shall incur no liability to the Lenders under or in respect of this Agreement by acting upon any notice, consent, certificate or other instrument or writing (which may be by telecopier, telegram, cable or telex) believed by it to be genuine and signed or sent by the proper party or parties.

SECTION 7.03. Citibank and Affiliates. With respect to its Commitment and the Advances made by it, Citibank shall have the same rights and powers under this Agreement as any other Lender and may exercise the same as though it were not the Administrative Agent; and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated, include Citibank in its individual capacity. Citibank and its Affiliates may accept deposits from, lend money to, act as trustee under indentures of, and generally engage in any kind of business with, the Borrower, any of its Subsidiaries and any Person who may do business with or own securities of the Borrower or any such Subsidiary, all as if Citibank were not the Administrative Agent and without any duty to account therefor to the Lenders.

SECTION 7.04. Lender Credit Decision. Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender and based on the financial statements referred to in Section 4.01 and such other documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement.

SECTION 7.05. Indemnification. The Lenders agree to indemnify the Administrative Agent (to the extent not reimbursed by the Borrower), ratably according to the respective amounts of their Commitments, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by, or asserted against the Administrative Agent in any way relating to or arising out of this Agreement or any action taken or omitted by the Administrative Agent under this Agreement, provided that no Lender shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements found in a final-non-appealable judgment by a court of competent jurisdiction to have resulted from the Administrative Agent's gross negligence or willful misconduct. Without limiting the foregoing, each Lender agrees to reimburse the Administrative Agent promptly upon demand for its ratable share of any out-of-pocket expenses (including counsel fees) incurred by the Administrative Agent in connection with the preparation, execution, delivery, administration, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights or responsibilities under, this Agreement, to the extent that the Administrative Agent is not reimbursed for such expenses by the Borrower.

SECTION 7.06. Successor Administrative Agent. The Administrative Agent may resign at any time by giving written notice thereof to the Lenders and the Borrower and may be removed at any time with or without cause by the Majority Lenders. Upon any such resignation or removal, the Majority Lenders shall have the right to appoint a successor Administrative Agent that, unless a Default or Event of Default shall have occurred and then be continuing, is reasonably acceptable to the Borrower. If no successor Administrative Agent shall have been so appointed by the Majority Lenders, and shall have accepted such appointment, within 30 days after the retiring Administrative Agent's giving of notice of resignation or the Majority Lenders' removal of the retiring Administrative Agent, then the retiring Administrative Agent may, on behalf of the Lenders, appoint a successor Administrative Agent, which shall be a commercial bank organized under the laws of the United States of America or of any State thereof and having total assets of at least $1,000,000,000. Upon the acceptance of any appointment as Administrative Agent hereunder by a successor Administrative Agent, such successor Administrative Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from its duties and obligations under this Agreement. After any retiring Administrative Agent's resignation or removal hereunder as Administrative Agent, the provisions of this Article 7 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent under this Agreement.

SECTION 7.07. Arrangers. Each Arranger, in its capacity as such, shall have no obligation or responsibility hereunder and shall not become liable in any manner hereunder to any party hereto.

ARTICLE 8
MISCELLANEOUS

SECTION 8.01. Amendments, Etc. No amendment of any provision of this Agreement shall be effective unless the same shall be in writing and signed by the Borrower and the Majority Lenders, or by the Borrower and the Administrative Agent on behalf of the Majority Lenders, and no waiver of any provision of this Agreement shall be effective unless the same shall be in writing and signed by the Administrative Agent with the consent of the Majority Lenders; provided, however, that no amendment, or waiver shall, unless in writing and signed by all the Lenders or by the Administrative Agent with the consent of all the Lenders, do any of the following: (a) increase or extend the Commitments, (b) reduce the principal of, or interest on, the Notes or any fees (other than the Administrative Agent's fee referred to in Section 2.03(c)) or other amounts payable hereunder, (c) postpone any date fixed for any payment of principal of, or interest on, the Advances or any fees (other than the Administrative Agent's fee referred to in Section 2.03(c)) or other amounts payable hereunder, (d) change the second sentence of Section 2.13(a), (e) change the percentage of the Commitments or of the aggregate unpaid principal amount of the Advances which shall be required for the Lenders or any of them to take any action hereunder or (f) amend this Section 8.01; provided further that no amendment or waiver shall, unless in writing and signed by the Administrative Agent in addition to the Lenders required above to take such action, affect the rights or duties of the Administrative Agent under this Agreement. This Agreement and the agreement referred to in Section 2.03(c) and the Communications Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and thereof.

SECTION 8.02. Notices, Etc. All notices and other communications provided for hereunder shall be in writing (including telecopier) and mailed, telecopied or delivered by hand:

(a) if to the Borrower:

Coca-Cola Bottling Co. Consolidated
4100 Coca-Cola Plaza
Charlotte, NC 28211
Attention: Vice President & Treasurer

Telephone No.: (704) 557-4633
Telecopier No.: (704) 557-4451

(b) if to the Administrative Agent:

Citibank, N.A.
Two Penns Way, Suite 200
New Castle, Delaware 19720

Attention: Kimberly Eidam-Melendez

Telephone No.: (302) 894-6012
Telecopier No.: (212) 994-0961

(c) if to any Lender, at the Domestic Lending Office of such Lender;

or, as to the Borrower or the Administrative Agent, at such other address as shall be designated by such party in a written notice to the other parties and, as to each other party, at such other address as shall be designated by such party in a written notice to the Borrower and the Administrative Agent. All such notices and communications shall be deemed to have been duly given or made (i) in the case of hand deliveries, when delivered by hand, (ii) in the case of mailed notices, three Business Days after being deposited in the mail, postage prepaid, and (iii) in the case of telecopier notice, when transmitted and confirmed during normal business hours (or, if delivered after the close of normal business hours, at the beginning of business hours on the next Business Day), except that notices and communications to the Administrative Agent pursuant to Article 2 or 7 shall not be effective until received by the Administrative Agent; provided that each Lender acknowledges and accepts the terms of the Communications Agreement and agrees that Communications (as defined in the Communications Agreement) may be made available to such Lender as provided in the Communications Agreement, agrees to provide to the Administrative Agent, promptly after the date of this Agreement, an e-mail address for receipt of each notice to such Lender that Communications have been posted on the Platform referred to in the Communications Agreement, and agrees that such notice to such Lender of such posting shall constitute effective delivery of such Communications to such Lender hereunder.

SECTION 8.03. No Waiver; Remedies. No failure on the part of any Lender or the Administrative Agent to exercise, and no delay in exercising, and no course of dealing with respect to, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

SECTION 8.04. Costs, Expenses and Indemnification.

(a) The Borrower agrees to pay and reimburse on demand (i) all reasonable costs and expenses of the Administrative Agent and each Arranger in connection with the preparation, execution, delivery, administration, modification and amendment of this Agreement and the other documents to be delivered hereunder, including, without limitation, the reasonable fees and out-of-pocket expenses of counsel for the Administrative Agent with respect thereto and

with respect to advising the Administrative Agent as to its rights and responsibilities under this Agreement, and (ii) all costs and expenses, if any (including, without limitation, reasonable counsel fees and expenses of the Administrative Agent and each of the Lenders), incurred by the Administrative Agent or any Lender in connection with the enforcement (whether through negotiations, legal proceedings or otherwise) of this Agreement and the other documents to be delivered hereunder, including, without limitation, reasonable counsel fees and expenses in connection with the enforcement of rights under this Section 8.04(a). Such reasonable fees and out-of-pocket expenses shall be reimbursed by the Borrower upon presentation to the Borrower of a statement of account, regardless of whether this Agreement is executed and delivered by the parties hereto or the transactions contemplated by this Agreement are consummated.

(b) (i) The Borrower hereby agrees to indemnify the Administrative Agent, each Arranger, each Lender and each of their respective Affiliates and their respective officers, directors, employees, agents, advisors and representatives (each, an "Indemnified Party") from and against any and all direct claims, damages, losses, liabilities and expenses (including, without limitation, reasonable fees and disbursements of counsel), joint or several, that may be incurred by or asserted or awarded against any Indemnified Party, in each case arising out of or in connection with or relating to any investigation, litigation or proceeding or the preparation of any defense with respect thereto arising out of or in connection with or relating to this Agreement or the transactions contemplated hereby or thereby or any use made or proposed to be made with the proceeds of the Advances, whether or not such investigation, litigation or proceeding is brought by the Borrower, any of its shareholders or creditors, an Indemnified Party or any other Person, or an Indemnified Party is otherwise a party thereto, and whether or not any of the conditions precedent set forth in Article 3 are satisfied or the other transactions contemplated by this Agreement are consummated, except to the extent such direct claim, damage, loss, liability or expense is found in a final, non-appealable judgment by a court of competent jurisdiction to have resulted from such Indemnified Party's gross negligence or willful misconduct.

(ii) The Borrower hereby further agrees that (i) no Indemnified Party shall have any liability to the Borrower for or in connection with or relating to this Agreement or the transactions contemplated hereby or thereby or any use made or proposed to be made with the proceeds of the Advances, except to the extent such liability is found in a final, non-appealable judgment by a court of competent jurisdiction to have resulted from such Indemnified Party's gross negligence or willful misconduct and (ii) the Borrower will not assert any claim against the Administrative Agent or any Lender, any of their respective Affiliates, or any of their respective directors, officers, employees, attorneys or agents, on any theory of liability, for consequential, indirect, special or punitive damages arising out of or relating to this Agreement or the actual or proposed use of any Advance.

(iii) Nothing herein shall be deemed to limit the provisions of the Communications Agreement.

(c) If any payment of principal of, or Conversion or Continuation of, any Eurodollar Rate Advance of a Lender is made on a day other than the last day of an Interest

Period for such Advance as a result of any optional or mandatory prepayment, acceleration of the maturity of the Advances pursuant to Section 6.01 or for any other reason, the Borrower shall pay to the Administrative Agent for the account of such Lender any amounts required to compensate such Lender for any additional losses, costs or expenses (other than loss of profit) which it may reasonably incur as a result of such payment, Continuation or Conversion and the liquidation or reemployment of deposits or other funds acquired by such Lender to fund or maintain such Advance. A certificate as to the amount of such losses, costs and expenses, submitted to the Borrower and the Administrative Agent by such Lender, shall be conclusive and binding for all purposes, absent manifest error.

SECTION 8.05. Binding Effect. This Agreement shall become effective when it shall have been executed by the Borrower and the Administrative Agent and when the Administrative Agent shall have been notified by each Bank that such Bank has executed it and thereafter shall be binding upon and inure to the benefit of the Borrower, the Administrative Agent and each Lender and their respective successors and permitted assigns, provided that the Borrower shall not have the right to assign its rights hereunder or any interest herein without the prior written consent of the Lenders.

SECTION 8.06. Assignments and Participations.

(a) Each Lender may, with notice to and the consent of the Administrative Agent and, unless an Event of Default shall have occurred and be continuing, the Borrower (such consents not to be unreasonably withheld), assign to one or more banks or other entities all or a portion of its rights and obligations under this Agreement (including, without limitation, all or a portion of its Commitment and the Advances owing to it); provided that:

(i) each such assignment shall be of a constant, and not a varying, percentage of all rights and obligations of the assigning Lender under this Agreement,

(ii) except in the case of an assignment by a Lender to one of its Affiliates or to another Lender, the amount of the Commitment of the assigning Lender being assigned pursuant to each such assignment (determined as of the date of the Assignment and Acceptance with respect to such assignment) shall in no event (unless the Borrower and the Administrative Agent otherwise agree) be less than the lesser of (x) such Lender's Commitment hereunder and (y) $5,000,000 or an integral multiple of $1,000,000 in excess thereof,

(iii) each such assignment shall be to an Eligible Assignee,

(iv) the parties to each such assignment shall execute and deliver to the Administrative Agent, for its acceptance and recording in the Register, an Assignment and Acceptance, and

(v) the parties to each such assignment (other than the Borrower) shall deliver to the Administrative Agent a processing and recordation fee of $3,500.

Upon such execution, delivery, acceptance and recording, from and after the Closing Date specified in each Assignment and Acceptance, (x) the assignee thereunder shall be a party hereto and, to the extent that rights and obligations hereunder have been assigned to it pursuant to such Assignment and Acceptance, have the rights and obligations of a Lender hereunder and (y) the Lender assignor thereunder shall, to the extent that rights and obligations hereunder have been assigned by it pursuant to such Assignment and Acceptance, relinquish its rights and be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all or the remaining portion of an assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto).

(b) By executing and delivering an Assignment and Acceptance, the Lender assignor thereunder and the assignee thereunder confirm to and agree with each other and the other parties hereto as follows: (i) other than as provided in such Assignment and Acceptance, such assigning Lender makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with this Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement or any other instrument or document furnished pursuant hereto; (ii) such assigning Lender makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Borrower or the performance or observance by the Borrower of any of its obligations under this Agreement or any other instrument or document furnished pursuant hereto; (iii) such assignee confirms that it has received a copy of this Agreement, together with copies of the financial statements referred to in Section 4.01 and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment and Acceptance; (iv) such assignee will, independently and without reliance upon the Administrative Agent, such assigning Lender or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement; (v) such assignee confirms that it is an Eligible Assignee; (vi) such assignee appoints and authorizes the Administrative Agent to take such action as administrative agent on its behalf and to exercise such powers under this Agreement as are delegated to the Administrative Agent by the terms hereof, together with such powers as are reasonably incidental thereto; and (vii) such assignee agrees that it will perform in accordance with their terms all of the obligations which by the terms of this Agreement are required to be performed by it as a Lender.

(c) Upon its receipt of an Assignment and Acceptance executed by an assigning Lender and an assignee representing that it is an Eligible Assignee, the Administrative Agent shall, if such Assignment and Acceptance has been completed (and the Borrower and the Administrative Agent shall have consented to the relevant assignment) and is in substantially the form of Exhibit B hereto, (i) accept such Assignment and Acceptance, (ii) record the information contained therein in the Register and (iii) give prompt notice thereof to the Borrower.

(d) The Administrative Agent shall maintain at its address referred to in Section 8.02 a copy of each Assignment and Acceptance delivered to and accepted by it and a register for the recordation of the names and addresses of each of the Lenders and, with respect to Lenders, the Commitment of, and principal amount of the Advances owing to, each such Lender from time to time (the "Register"). The entries in the Register shall be conclusive and

binding for all purposes, absent manifest error, and the Borrower, the Administrative Agent and the Lenders may treat each Person whose name is recorded in the Register as a Lender hereunder for the purposes of this Agreement. The Register shall be available for inspection by the Borrower or any Lender at any reasonable time and from time to time upon reasonable prior notice.

(e) Each Lender may sell participations to one or more Persons in or to all or a portion of its rights and obligations under this Agreement (including, without limitation, all or a portion of its Commitment and the Advances owing to it); provided, however, that (i) such Lender's obligations under this Agreement (including, without limitation, its Commitment to the Borrower hereunder) shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, (iii) the Borrower, the Administrative Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement, (iv) in any proceeding under the Federal Bankruptcy Code in respect of the Borrower, such Lender shall remain and be, to the fullest extent permitted by law, the sole representative with respect to the rights and obligations held in the name of such Lender (whether such rights or obligations are for such Lender's own account or for the account of any participant) and (v) no participant under any such participation agreement shall have any right to approve any amendment or waiver of any provision of this Agreement, or to consent to any departure by the Borrower therefrom, except to the extent that any such amendment, waiver or consent would (x) reduce the principal of, or interest on, the Notes, in each case to the extent the same are subject to such participation, or (y) postpone any date fixed for the payment of principal of, or interest on, the Advances, in each case to the extent the same are subject to such participation.

(f) Any Lender may, in connection with any permitted assignment or participation or proposed assignment or participation pursuant to this Section 8.06 and subject to the provisions of Section 8.12, disclose to the assignee or participant or proposed assignee or participant any information relating to the Borrower or any of its Subsidiaries or Affiliates furnished to such Lender by or on behalf of the Borrower.

(g) Notwithstanding any other provision set forth in this Agreement, any Lender may at any time, without the consent of the Administrative Agent or the Borrower, create a security interest in all or any portion of its rights under this Agreement (including, without limitation, the Advances owing to it) in favor of any Federal Reserve Bank in accordance with Regulation A of the Board of Governors of the Federal Reserve System.

(h) Notwithstanding any other provision set forth in this Agreement, any Lender may at any time, without the consent of the Administrative Agent or the Borrower, assign to an Affiliate of such Lender all or any portion of its rights (but not its obligations) under this Agreement.

SECTION 8.07. Governing Law; Submission to Jurisdiction. This Agreement shall be governed by, and construed in accordance with, the law of the State of New York. The Borrower hereby submits to the nonexclusive jurisdiction of the United States District Court for the Southern District of New York and of any New York state court sitting in New York City for

the purposes of all legal proceedings arising out of or relating to this Agreement or the transactions contemplated hereby. The Borrower hereby irrevocably appoints CT Corporation System (the "Process Agent"), with an office on the date hereof at 111 8th Avenue, 13th Floor, New York, New York 10011, as its agent and true and lawful attorney-in-fact in its name, place and stead to accept on behalf of the Borrower and its Property service of the copies of the summons and complaint and any other process which may be served in any such legal proceedings brought in any such court, and the Borrower agrees that the failure of the Process Agent to give any notice of any such service of process to the Borrower shall not impair or affect the validity of such service or, to the extent permitted by applicable law, the enforcement of any judgment based thereon. The Borrower irrevocably waives, to the fullest extent permitted by applicable law, any objection that it may now or hereafter have to the laying of the venue of any such proceeding brought in such a court and any claim that any such proceeding brought in such a court has been brought in an inconvenient forum.

SECTION 8.08. Severability. In case any provision in this Agreement shall be held to be invalid, illegal or unenforceable, such provision shall be severable from the rest of this Agreement, and the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

SECTION 8.09. Execution in Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Any counterpart hereof may be executed and delivered via telecopier, and each such counterpart so executed and delivered shall have the same force and effect as an originally executed and delivered counterpart hereof.

SECTION 8.10. Survival. The obligations of the Borrower under Sections 2.02(c), 2.07, 2.11, 2.14 and 8.04, and the obligations of the Lenders under Section 7.05, shall survive the repayment of the Advances and the termination of the Commitments. In addition, each representation and warranty made, or deemed to be made by any Notice of Borrowing, herein or pursuant hereto shall survive the making of such representation and warranty, and no Lender shall be deemed to have waived, by reason of making any Advance, any Default or Event of Default that may arise by reason of such representation or warranty proving to have been false or misleading.

SECTION 8.11. Waiver of Jury Trial. EACH OF THE BORROWER, THE ADMINISTRATIVE AGENT AND THE LENDERS HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

SECTION 8.12. Confidentiality. Each Lender agrees to hold any confidential information which it may receive from the Borrower or any of its Subsidiaries or Affiliates pursuant to this Agreement in confidence and for use in connection with this Agreement, including without limitation for use in connection with its rights and remedies hereunder, except

for disclosure (a) to other Lenders and their respective Affiliates, (b) to legal counsel, accountants, and other professional advisors to such Lender, (c) to regulatory officials, (d) as requested pursuant to or as required by law, regulation, or legal process, (e) in connection with any legal proceeding to which such Lender is a party and (f) to a proposed assignee or participant permitted under Section 8.06 which shall have agreed in writing to keep such disclosed confidential information confidential in accordance with this Section.

SECTION 8.13. Nonliability of Lenders. The relationship between the Borrower and the Lenders and the Administrative Agent shall be solely that of borrower and lender and neither the Administrative Agent nor any Lender shall have any fiduciary responsibilities to the Borrower.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

Borrower

COCA-COLA BOTTLING CO. CONSOLIDATED

By _____

Name:
Title:

Administrative Agent

CITIBANK, N.A.,
as Administrative Agent

By _____

Name:
Title:

Banks

CITIBANK, N.A.

By _____

Name:
Title:

FLEET NATIONAL BANK

By _____

Name:
Title:

SUNTRUST BANK

By _____

Name:
Title:

WACHOVIA BANK, NATIONAL
ASSOCIATION

By _____

Name:
Title:

COÖPERATIEVE CENTRALE RAIFFEISEN-
BOERENLEENBANK B.A. “RABOBANK
INTERNATIONAL”, NEW YORK BRANCH

By _____

Name:
Title:

By _____

Name:
Title:

BRANCH BANKING AND TRUST COMPANY

By _____

Name:
Title:

SCHEDULE I

Banks and Commitments

Bank	Commitment
Citibank, N.A.	$ 30,000,000
Wachovia Bank, National Association	30,000,000
Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. "Rabobank International", New York Branch	20,000,000
Fleet National Bank	20,000,000
SunTrust Bank	20,000,000
Branch Banking and Trust Company	5,000,000
Total	$125,000,000

Schedule I

SCHEDULE II

Existing Liens

None

Schedule II

SCHEDULE III

Litigation

Schedule III

SCHEDULE IV

Material Subsidiaries

Schedule IV

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SCHEDULE V

Material Agreements

Schedule V

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SCHEDULE VI

Existing Investments

Schedule VI

SCHEDULE VII

Existing Contingent Obligations

Schedule VII

EXHIBIT A

NOTICE OF BORROWING

Citibank, N.A., as Administrative
Agent for the Lenders parties
to the Credit Agreement
referred to below
Two Penns Ways, Suite 200
New Castle, Delaware 19720
Attention:

[Date]

Ladies and Gentlemen:

The undersigned, Coca-Cola Bottling Co. Consolidated (the "Borrower"), refers to the Credit Agreement, dated as of December 20, 2002 (as from time to time amended, the "Credit Agreement", the terms defined therein being used herein as therein defined), among the undersigned, certain Lenders parties thereto and Citibank, N.A., as Administrative Agent for said Lenders, and hereby gives you notice, irrevocably, pursuant to Section 2.02 of the Credit Agreement that the undersigned hereby requests a Borrowing (the "Proposed Borrowing") under the Credit Agreement, and in that connection sets forth below the information relating to such Borrowing as required by Section 2.02(a) of the Credit Agreement:

(i) The Business Day of the Proposed Borrowing is _____ __, _____.

(ii) The Type of Advances initially comprising the Proposed Borrowing is [Base Rate Advances] [Eurodollar Rate Advances].

(iii) The amount of the Proposed Borrowing is $_____.

[(iv) The initial Interest Period for each Advance made as part of the Proposed Borrowing is _____ month[s]][1].

The undersigned hereby certifies that the following statements are true on the date hereof, and will be true on the date of the Proposed Borrowing:

(a) the representations and warranties contained in Section 4.01 of the Credit Agreement (excluding, in the case of a Borrowing after the initial Borrowing, the Excluded Representations) are correct in all material respects, before and after giving

_____

[1] For Eurodollar Rate Advances only

effect to the Proposed Borrowing and to the application of the proceeds therefrom, as though made on and as of such date;

(b) no event has occurred and is continuing, or would result from such Proposed Borrowing or from the application of the proceeds therefrom, which constitutes an Event of Default or a Default.

Very truly yours,

COCA-COLA BOTTLING CO. CONSOLIDATED

By _____

Title:

Notice of Borrowing

EXHIBIT B

ASSIGNMENT AND ACCEPTANCE

Dated _____ __, _____

Reference is made to the Credit Agreement dated as of December 20, 2002 (as from time to time amended, the "Credit Agreement") among Coca-Cola Bottling Co. Consolidated, a Delaware corporation (the "Borrower"), the Lenders (as defined in the Credit Agreement) and Citibank, N.A., as Administrative Agent for the Lenders (the "Administrative Agent"). Terms defined in the Credit Agreement are used herein with the same meaning.

_____ (the "Assignor") and _____ (the "Assignee") agree as follows:

1. The Assignor hereby sells and assigns to the Assignee, and the Assignee hereby purchases and assumes from the Assignor, that interest in and to all of the Assignor's rights and obligations under the Credit Agreement as of the date hereof which represents the percentage interest specified on Schedule 1 of all outstanding rights and obligations under the Credit Agreement, including, without limitation, such interest in the Assignor's Commitment and the Advances owing to the Assignor. After giving effect to such sale and assignment, the Assignee's Commitment and the amount of the Advances owing to the Assignee will be as set forth in Schedule 1.

2. The Assignor (i) represents and warrants that it is the legal and beneficial owner of the interest being assigned by it hereunder and that such interest is free and clear of any adverse claim; (ii) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Credit Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Credit Agreement or any other instrument or document furnished pursuant thereto; and (iii) makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Borrower or the performance or observance by the Borrower of any of its obligations under the Credit Agreement or any other instrument or document furnished pursuant thereto.

3. The Assignee (i) confirms that it has received a copy of the Credit Agreement, together with copies of the financial statements referred to in Section 4.01 thereof and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Acceptance; (ii) agrees that it will, independently and without reliance upon the Administrative Agent, the Assignor or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement; (iii) confirms that it is an Eligible Assignee; (iv) appoints and authorizes the Administrative Agent to take such action as administrative agent on its behalf and to exercise such powers under the Credit Agreement as are delegated to the Administrative Agent by the terms thereof, together with such powers as are reasonably incidental thereto; (v) agrees that it

will perform in accordance with their terms all of the obligations which by the terms of the Credit Agreement are required to be performed by it as a Lender; [and] (vi) specifies as its Domestic Lending Office (and address for notices) and Eurodollar Lending Office the offices set forth beneath its name on the signature pages hereof [and (vii) attaches the forms prescribed by the Internal Revenue Service of the United States certifying as to the Assignee's status for purposes of determining exemption from United States withholding taxes with respect to all payments to be made to the Assignee under the Credit Agreement or such other documents as are necessary to indicate that all such payments are subject to such rates at a rate reduced by an applicable tax treaty].[1]

4. Following the execution of this Assignment and Acceptance by the Assignor and the Assignee and the consent of the Borrower, it will be delivered to the Administrative Agent for acceptance and recording by the Administrative Agent. The Closing Date of this Assignment and Acceptance shall be the date of acceptance thereof by the Administrative Agent, unless otherwise specified on Schedule 1 hereto (the "Closing Date").

5. Upon such acceptance and recording by the Administrative Agent, as of the Closing Date, (i) the Assignee shall be a party to the Credit Agreement and, to the extent provided in this Assignment and Acceptance, have the rights and obligations of a Lender thereunder and (ii) the Assignor shall, to the extent provided in this Assignment and Acceptance, relinquish its rights and be released from its obligations under the Credit Agreement.

6. Upon such acceptance and recording by the Administrative Agent, from and after the Closing Date, the Administrative Agent shall make all payments under the Credit Agreement in respect of the interest assigned hereby (including, without limitation, all payments of principal, interest, Facility Fee and Utilization Fee with respect thereto) to the Assignee. The Assignor and Assignee shall make all appropriate adjustments in payments under the Credit Agreement for periods prior to the Closing Date directly between themselves.

---

[1] If the Assignee is organized under the laws of a jurisdiction outside the United States.

7. This Assignment and Acceptance shall be governed by, and construed in accordance with, the law of the State of New York.

IN WITNESS WHEREOF, the parties hereto have caused this Assignment and Acceptance to be executed by their respective officers thereunto duly authorized, as of the date first above written, such execution being made on Schedule 1 hereto.

Assignment and Acceptance

SCHEDULE 1
to
ASSIGNMENT AND ACCEPTANCE

Percentage assigned to Assignee _____%

Assignee's Commitment $_____

Aggregate outstanding principal amount of Advances assigned $_____

Closing Date (if other than date of acceptance by Administrative Agent)* _____ __, _____

[NAME OF ASSIGNOR], as Assignor

By _____

Title:

Schedule 1 to Assignment and Acceptance

[NAME OF ASSIGNEE], as Assignee

By _____

Title:

Domestic Lending Office:

* This date should be no earlier than the date of acceptance by the Administrative Agent.

Accepted this _____ day
of _____, _____

CITIBANK, N.A., as
Administrative Agent

By_____
Title:

CONSENTED TO:

COCA-COLA BOTTLING CO. CONSOLIDATED

By_____
Title:

Schedule 1 to Assignment and Acceptance

EXHIBIT C

[Form of Opinion of Special Counsel to the Borrower]

December __, 2002

To the Banks party to the Credit
Agreement referred to below

Citibank, N.A., as Administrative
Agent
Two Penns Way, Suite 200
New Castle, Delaware 19720

Ladies and Gentlemen:

We have acted as counsel to Coca-Cola Bottling Co. Consolidated, a Delaware corporation (the "Borrower"), in connection with the Credit Agreement dated as of December __, 2002 (the "Credit Agreement") among the Borrower, the Lenders named therein and Citibank, N.A., as Administrative Agent, providing for loans to be made by said Lenders to the Borrower in an aggregate principal amount at any one time outstanding not to exceed $125,000,000. Terms defined in the Credit Agreement are used in this opinion letter as defined therein. This opinion letter is being delivered pursuant to Section 3.01(d) of the Credit Agreement.

As such counsel, we have examined originals or copies of the Credit Agreement. We have also examined such corporate records of the Borrower and such other documents as we have deemed necessary or appropriate for the purpose of giving the opinions herein expressed.

In giving the opinions expressed herein and making our investigations in connection herewith, we have assumed (a) the due authorization, execution and delivery by the parties thereto other than the Borrower of the documents examined by us, (b) the genuineness of all signatures of individuals, (c) the personal legal capacity of all individual signatories, (d) the authenticity of all documents presented to us as originals, and (e) the conformity to the originals of all documents presented to us as copies. We have also assumed that the terms of the Credit Agreement have not been modified, supplemented or qualified by any other agreements or understandings (written or oral) of the parties thereto, or by any course of dealing or trade custom or usage, in any manner affecting the opinions expressed herein.

The opinions set forth herein are limited to matters governed by the laws of the State of North Carolina and the federal laws of the United States, and no opinion is expressed herein as to the laws of any other jurisdiction. We note that the Credit Agreement provides that it is to be governed by the laws of New York. Our opinion herein as to the legality, validity, binding effect and enforceability of the Credit Agreement is intended to address the legality, validity, binding effect and enforceability of the Credit Agreement under North Carolina and federal law were it,

Opinion of Special Counsel to the Borrower

notwithstanding such provision, governed by the laws of the State of North Carolina, and is not intended to address matters of New York law.

We express no opinion herein concerning the possible application to the Credit Agreement, the transactions contemplated thereby, or the obligations of the parties thereunder of Section 548 of the Bankruptcy Code, 11 U.S.C. §548, Sections 39-15 through 39-22 of the North Carolina General Statutes, or other similar laws relating to "fraudulent transfers" or "fraudulent conveyances."

Opinions or statements herein given "to the best of our knowledge" and the factual matters on which we have relied in giving other opinions herein (except for our opinions as to corporate matters that we have given in reliance upon certificates of officers of the Borrower and public officials) are based upon (a) information coming to our attention in the course of our representation of the Borrower in connection with the transactions contemplated by the Credit Agreement, or otherwise actually known to the lawyers in our firm who have given substantive attention to such transactions, (b) the Borrower's representations and warranties contained in the Credit Agreement, and (c) inquiries of representatives of the Borrower whom we believe to be reasonably well-informed as to the factual matters in question, but without any other investigations made for purposes of giving such opinions or statements unless otherwise stated herein. However, nothing has come to our attention in the course of our representation of the Borrower in connection with the transactions contemplated by the Credit Agreement that would cause us to believe that our reliance thereon for purposes of such opinions is unwarranted.

Our opinion herein as to the due organization of the Borrower is based solely upon our examination of the Borrower's articles of incorporation, as certified by the Delaware Secretary of State, and a certificate of an officer of the Borrower to the effect that the Borrower has duly issued shares of its capital stock, adopted bylaws, established a Board of Directors, and appointed officers.

Based upon and subject to the foregoing and the further limitations and qualifications hereinafter expressed, it is our opinion that:

1. The Borrower is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware.

2. The Borrower has all requisite corporate power to execute and deliver, and to perform its obligations and to incur liabilities under, the Credit Agreement.

3. The execution, delivery and performance by the Borrower of, and the incurrence by the Borrower of liabilities under, the Credit Agreement have been duly authorized by all necessary corporate action on the part of the Borrower.

4. The Credit Agreement has been duly executed and delivered by the Borrower.

5. The Credit Agreement constitutes the legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms.

6. No authorization, approval or consent of, and no filing or registration with, any governmental or regulatory authority or agency of the United States of America is required on the part of the Borrower for the execution, delivery or performance by the Borrower of, or for the incurrence by the Borrower of any liabilities under, the Credit Agreement.

7. The execution, delivery and performance by the Borrower of, and the consummation by the Borrower of the transactions contemplated by, the Credit Agreement do not and will not violate (a) any provision of the charter or by-laws of the Borrower, (b) any applicable law, rule or regulation of the United States of America (including, without limitation, Regulations T, U and X issued by the Board of Governors of the Federal Reserve System, as amended), (c) any order, writ, injunction or decree of any court or governmental authority or agency or any arbitral award applicable to the Borrower and its Subsidiaries of which we have knowledge (after due inquiry), or result in a breach of, constitute a default under, require any consent under, or result in the acceleration or required prepayment of any indebtedness pursuant to the terms of, any agreement or instrument of which we have knowledge (after due inquiry) to which the Borrower and its Subsidiaries is a party or by which any of them is bound or to which any of them is subject, or result in the creation or imposition of any Lien upon any property of the Borrower pursuant to the terms of any such agreement or instrument.

8. Other than as disclosed in filings of the Borrower with the Securities and Exchange Commission or as set forth in a schedule to the Credit Agreement, we have no knowledge (after due inquiry) of any legal or arbitral proceedings, or any proceedings by or before any governmental or regulatory authority or agency, now pending or threatened against or affecting the Borrower or any of its Subsidiaries or any of their respective Properties that, if adversely determined, could reasonably be expected to have a Material Adverse Effect.

9. The Borrower is not an “investment company”, or a Person “controlled by” an “investment company”, as such terms are defined in the Investment Company Act of 1940, as amended.

The opinions expressed above are subject to the following qualifications, exceptions and limitations in addition to those set forth above:

(a) Enforceability of the Credit Agreement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar state or federal laws from time to time in effect which affect the enforcement of creditors’ rights generally.

(b) Enforceability of the Credit Agreement is subject to general equitable principles and to general standards of commercial reasonableness.

(c) Certain waivers and remedial provisions contained in the Credit Agreement may not be enforceable; however, we believe that the Credit Agreement, taken as a whole, contain adequate and customary provisions for the practical realization of the benefits and security purported to be provided thereby.

Opinion of Special Counsel to the Borrower

(d) Provisions of the Credit Agreement purporting to require that waivers be in writing may be ineffective to preclude oral waivers or waivers by conduct or course of dealing.

(e) Provisions of the Credit Agreement purporting to reconstitute the terms thereof as necessary to avoid a claim or defense of usury may be invalid and unenforceable.

(f) Provisions of the Credit Agreement purporting to require a party thereto to pay or reimburse attorneys' fees incurred by another party, or to indemnify another party therefor, may be limited by applicable statutes and decisions relating to the collection and award of attorneys' fees.

(g) Provisions of the Credit Agreement purporting to release, exculpate or indemnify a party as to such party's liability for its own acts or omissions, to the extent such acts or omissions involve such party's gross negligence, recklessness, willful misconduct or unlawful conduct, may not be enforceable.

(h) No opinion is expressed as to the validity or enforceability of provisions of the Credit Agreement relating to indemnity and contribution for liabilities under federal or state securities laws.

(i) We express no opinion as to the enforceability of any choice of law provision in the Credit Agreement.

This opinion letter is delivered solely for your benefit in connection with the closing under the Credit Agreement and may not be relied upon by any other person or for any other purpose without our prior written consent. Our opinions expressed herein are as of the date hereof, and we undertake no obligation to advise you of any changes in applicable law or any other matters that may come to our attention after the date hereof that may affect our opinions expressed herein.

Very truly yours,

KENNEDY COVINGTON LOBDELL &
HICKMAN, L.L.P.

Opinion of Special Counsel to the Borrower

EXHIBIT D

[Form of Opinion of Special New York
Counsel to the Administrative Agent]

[date]

To the Banks party to the
Credit Agreement referred to
below
Citibank, N.A., as Administrative
Agent
399 Park Avenue
New York, New York 10043

Ladies and Gentlemen:

We have acted as special New York counsel to Citibank, N.A. (the "Administrative Agent"), as Administrative Agent, in connection with the Credit Agreement dated as of December __, 2002 (the "Credit Agreement") among Coca-Cola Bottling Co. Consolidated (the "Borrower"), the lenders named therein and the Administrative Agent, providing for loans to be made by said lenders to the Borrower in an aggregate principal amount not exceeding $125,000,000. Terms defined in the Credit Agreement are used herein as defined therein. This opinion is being delivered pursuant to Section 3.01(e) of the Credit Agreement.

In rendering the opinions expressed below, we have examined the Credit Agreement. In our examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity with authentic original documents of all documents submitted to us as copies.

In rendering the opinions expressed below, we have assumed, with respect to the Credit Agreement, that:

(i) the Credit Agreement has been duly authorized by, have been duly executed and delivered by, and (except to the extent set forth in the opinions below as to the Borrower) constitutes legal, valid, binding and enforceable obligations of, all of the parties thereto;

(ii) all signatories to the Credit Agreement have been duly authorized; and

(iii) all of the parties to the Credit Agreement are duly organized and validly existing and have the power and authority (corporate or other) to execute, deliver and perform the Credit Agreement.

Based upon and subject to the foregoing and subject also to the comments and qualifications set forth below, and having considered such questions of law as we have deemed necessary as a basis for the opinions expressed below, we are of the opinion that the Credit

Agreement constitutes the legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms, except as may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or affecting the rights of creditors generally and except as the enforceability of the Credit Agreement is subject to the application of general principles of equity (regardless of whether considered in a proceeding in equity or at law), including, without limitation, (a) the possible unavailability of specific performance, injunctive relief or any other equitable remedy and (b) concepts of materiality, reasonableness, good faith and fair dealing.

The foregoing opinions are subject to the following comments and qualifications:

(a) The enforceability of Section 8.04(b) of the Credit Agreement may be limited by laws limiting the enforceability of provisions exculpating or exempting a party from, or requiring indemnification of a party for, its own action or inaction, to the extent such action or inaction involves gross negligence, recklessness or willful or unlawful conduct.

(b) The enforceability of provisions in the Credit Agreement to the effect that terms may not be waived or modified except in writing may be limited under certain circumstances.

(c) We express no opinion as to (i) the effect of the laws of any jurisdiction in which any Lender is located (other than the State of New York) that limit the interest, fees or other charges such Lender may impose, (ii) Section 2.15 of the Credit Agreement, (iii) the second sentence of Section 8.07 of the Credit Agreement, insofar as such sentence relates to the subject matter jurisdiction of the United States District Court for the Southern District of New York to adjudicate any controversy related to the Credit Agreement, (iv) the waiver of inconvenient forum set forth in Section 8.07 of the Credit Agreement with respect to proceedings in the United States District Court for the Southern District of New York and (v) Section 8.08 of the Credit Agreement.

The foregoing opinions are limited to matters involving the Federal laws of the United States and the law of the State of New York, and we do not express any opinion as to the laws of any other jurisdiction.

This opinion letter is, pursuant to Section 3.01(e) of the Credit Agreement, provided to you by us in our capacity as special New York counsel to the Administrative Agent and may not be relied upon by any Person for any purpose other than in connection with the transactions contemplated by the Credit Agreement without, in each instance, our prior written consent.

Very truly yours,

WFC/RJW

EXHIBIT E

COMPLIANCE CERTIFICATE

To: The Lenders parties to the
Credit Agreement Described Below

This Compliance Certificate is furnished pursuant to that certain Credit Agreement dated as of December __, 2002 (as amended, modified, renewed or extended from time to time, the "Agreement") among Coca-Cola Bottling Co. Consolidated, certain Lenders and Citibank, N.A., as Administrative Agent for the Lenders. Unless otherwise defined herein, capitalized terms used in this Compliance Certificate have the meanings ascribed thereto in the Agreement.

THE UNDERSIGNED HEREBY CERTIFIES THAT:

1. I am the duly elected Chief Financial Officer of the Borrower;

2. I have reviewed the terms of the Agreement and I have made, or have caused to be made under my supervision, a detailed review of the transactions and conditions of the Borrower and its Subsidiaries during the accounting period covered by the attached financial statements;

3. The examinations described in paragraph 2 did not disclose, and I have no knowledge of, the existence of any condition or event which constitutes a Default or an Event of Default during or at the end of the accounting period covered by the attached financial statements or as of the date of this Certificate, except as set forth below; and

4. Schedule I attached hereto sets forth financial data and computations evidencing the Borrower's compliance with certain covenants of the Agreement, all of which data and computations are true, complete and correct.

Described below are the exceptions, if any, to paragraph 3 by listing, in detail, the nature of the condition or event, the period during which it has existed and the action which the Borrower has taken, is taking, or proposes to take with respect to each such condition or event:

The foregoing certifications, together with the computations set forth in Schedule I hereto and the financial statements delivered with this Certificate in support hereof, are made and delivered this ___ day of_____, 20__.

Compliance Certificate

EXHIBIT F

[Form of Communications Agreement]

COMMUNICATIONS AGREEMENT

Reference is made to the [$_____] Credit Agreement dated as of December __, 2002 (as amended, supplemented and otherwise modified from time to time, the "Credit Agreement"), among Coca-Cola Bottling Co. Consolidated (the "Borrower"), the lenders named therein (the "Banks"), and Citibank, N.A., as administrative agent (the "Administrative Agent"). Capitalized terms used and not defined herein shall have the meanings given to them in the Credit Agreement.

The Borrower hereby agrees that it will provide to the Administrative Agent all information, documents and other materials that it is obligated to furnish to the Administrative Agent pursuant to the Credit Agreement, including, without limitation, all notices, requests, financial statements, financial and other reports, certificates and other information materials, but excluding any such communication that (i) relates to a request for a Borrowing, (ii) provides notice of any Default or Event of Default or (iii) is required to be delivered to satisfy any condition precedent to the payment under the Credit Agreement thereunder (all such non-excluded communications being referred to herein collectively as "Communications"), by transmitting the Communications in an electronic/soft medium in a format acceptable to the Administrative Agent to oploanswebadmin@ssmb.com. In addition, the Borrower agrees to continue to provide the Communications to the Administrative Agent in the manner specified in the Credit Agreement, but only to the extent requested by the Administrative Agent.

The Borrower further agrees that the Administrative Agent may make the Communications available to the Lenders by posting the Communications on "e-Disclosure" (the "Platform"), the Administrative Agent's internet delivery system that is part of SSB Direct, Global Fixed Income's primary web portal.

Although the primary web portal is secured with a dual firewall and a User ID/Password Authorization System and the Platform is secured through a single user per deal authorization method whereby each user may access the Platform only on a deal-by-deal basis, the Borrower acknowledge that the distribution of material through an electronic medium is not necessarily secure and that there are confidentiality and other risks associated with such distribution.

THE COMMUNICATIONS AND THE PLATFORM ARE PROVIDED "AS IS" AND "AS AVAILABLE". THE CITIGROUP PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY, ADEQUACY OR COMPLETENESS OF THE COMMUNICATIONS OR THE PLATFORM AND EXPRESSLY DISCLAIM LIABILITY

FOR ERRORS OR OMISSIONS IN THE COMMUNICATIONS OR THE PLATFORM. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY THE CITIGROUP PARTIES IN CONNECTION WITH THE COMMUNICATIONS OR THE PLATFORM.

IN NO EVENT SHALL CITIGROUP INC. OR ANY OF ITS AFFILIATES OR ANY OF THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, ADVISORS OR REPRESENTATIVES (COLLECTIVELY, "CITIGROUP PARTIES") HAVE ANY LIABILITY TO THE BORROWER, ANY LENDER OR ANY OTHER PERSON OR ENTITY FOR DAMAGES OF ANY KIND, INCLUDING, WITHOUT LIMITATION, DIRECT OR INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, LOSSES OR EXPENSES (WHETHER IN TORT, CONTRACT OR OTHERWISE) ARISING OUT OF THE BORROWER'S OR THE ADMINISTRATIVE AGENT'S TRANSMISSION OF COMMUNICATIONS THROUGH THE INTERNET, EXCEPT TO THE EXTENT THE LIABILITY OF ANY CITIGROUP PARTY IS FOUND IN A FINAL NON-APPEALABLE JUDGMENT BY A COURT OF COMPETENT JURISDICTION TO HAVE RESULTED PRIMARILY FROM SUCH CITIGROUP PARTY'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

The Administrative Agent agrees that the receipt of the Communications by the Administrative Agent at its e-mail address set forth above shall constitute effective delivery of the Communications to the Administrative Agent for purposes of the Credit Agreement.

Nothing herein shall prejudice the right of the Administrative Agent or any Lender to give any notice or other communication pursuant to the Credit Agreement in any other manner specified in the Credit Agreement.

Except as modified hereby, the Credit Agreement and all other documents executed in connection therewith shall remain in full force and effect.

This Agreement shall terminate on the date that neither Citibank, N.A. nor any of its Affiliates is the Administrative Agent under the Credit Agreement.

This Agreement shall be governed by, and construed in accordance with, the law of the State of New York.

In witness whereof, the undersigned have executed this Agreement as of December __, 2002.

COCA-COLA BOTTLING CO. CONSOLIDATED

By _____

Name:
Title:

CITIBANK, N.A., as Administrative Agent

By _____

Name:
Title:

Exhibit 10.1

STOCK RIGHTS AND RESTRICTIONS AGREEMENT

THIS AGREEMENT, made and entered into as of this 27th day of January, 1989 (the "Agreement") by and between The Coca-Cola Company (hereinafter "Shareholder") and Coca-Cola Bottling Co. Consolidated (hereinafter the "Company"):

WHEREAS, Shareholder is a substantial holder of the Company's Common Stock, par value $1.00 per share ("Common Stock") and Class B Common Stock, par value $1.00 per share ("Class B Common Stock") as a result of (i) the issuance to Shareholder of 1,355,033 shares of Common Stock and 269,158 shares of Class B Common Stock pursuant to that certain Stock Purchase Agreement dated as of May 7, 1987 between Shareholder and the Company (the "Investment Transaction Agreement") and (ii) the issuance to Shareholder of 1,100,000 shares of Common Stock pursuant to that certain Acquisition Agreement dated as of the date hereof between Shareholder and the Company (the "Acquisition Agreement") (the 1,355,033 shares of Common Stock and 269,158 shares of Class B Common Stock acquired by Shareholder pursuant to the Investment Transaction Agreement (as such shares may be incremented, reduced or adjusted pursuant to any stock split, stock dividend, recapitalization or similar transaction) are referred to herein as the "Initial Shares"; the 1,100,000 shares of Common Stock acquired by Shareholder pursuant to the Acquisition Agreement (as such shares may be incremented, reduced or adjusted pursuant to any stock split, stock dividend, recapitalization or similar transaction) are referred to herein as the "Additional Shares"; and the Initial Shares and Additional Shares, together with any additional shares of the Company's stock hereafter acquired by Shareholder (including any shares acquired pursuant to Paragraph 8 hereof ("Paragraph 8 Shares")), are referred to herein collectively as the ("Shares");

WHEREAS, pursuant to the terms of the Investment Transaction Agreement, Shareholder and the Company agreed that the Initial Shares would possess certain rights and be subject to certain restrictions;

WHEREAS, Shareholder and the Company desire that the Additional Shares and Paragraph 8 Shares possess certain rights and be subject to certain restrictions in addition to those rights and restrictions provided for pursuant to the Company's Certificate of Incorporation and the laws of the State of Delaware; and

WHEREAS, the parties wish to set forth herein all such rights and restrictions applicable to the Initial Shares, the Additional Shares and the Paragraph 8 Shares;

NOW, THEREFORE, in consideration of the premises and of the mutual covenants herein contained, Shareholder and the Company hereby agree as follows:

1. Accrual of Dividends.

(a) Initial Shares. Shareholder agrees that for the five year period beginning on June 26, 1987 and ending on June 26, 1992, the Company may elect to accrue rather than pay any dividends declared on the Initial Shares; provided, however, that all accrued dividends will be paid not later than June 26, 1992, together with interest thereon calculated on the accrued balance outstanding from time to time at the prime rate of interest announced from time to time by Morgan Guaranty Trust Company of New York; and provided further that, notwithstanding the foregoing, Shareholder waives and shall not be entitled to any interest with respect to any accrued balances for the two-year period from June 26, 1987 through June 26, 1989.

(b) Additional Shares. Shareholder agrees that for the five year period beginning on January 27, 1989 and ending on January 27, 1994, the Company may elect to accrue rather than pay any dividends declared on the Additional Shares; provided, however, that all accrued dividends will be paid not later than January 27, 1994, together with interest thereon calculated on the accrued balance outstanding from time to time at the prime rate of interest announced from time to time by Morgan Guaranty Trust Company of New York; and provided further that, notwithstanding the foregoing, Shareholder waives and shall not be entitled to any interest with respect to any accrued balances for the two-year period from January 27, 1989 through January 27, 1991.

2. Agreement to Hold Shares.

(a) Initial Shares. Shareholder agrees to hold the Initial Shares until at least June 26, 1992, unless it is obligated to sell or otherwise dispose of the Initial Shares by court order, or otherwise based on an opinion of King & Spalding or other counsel reasonably acceptable to the Company stating that such sale or other disposition is required by law.

(b) Additional Shares. Shareholder agrees to hold the Additional Shares until at least January 27, 1994, unless it is obligated to sell or otherwise dispose of the Additional Shares by court order, or otherwise based on an opinion of King & Spalding or other counsel reasonably acceptable to the Company stating that such sale or other disposition is required by law.

(c) Conversion of Class B Shares. Except as may be provided in this Agreement, in no event will Shareholder sell or otherwise dispose of shares of Class B Common Stock without prior thereto converting them into shares of Common Stock.

3. Acquisition of Shares by Shareholder. Shareholder agrees that, it will not purchase or acquire additional shares of the Company’s stock other than with the consent of the Company or as provided herein.

4. Transfer Restriction and Right of First Refusal.

(a) Except as otherwise provided in Paragraphs 2 and 5 hereof, Shareholder shall not sell, assign, transfer or otherwise dispose of all or any of the Shares (any such disposition being hereinafter referred to as a "Share Transfer") without providing the Company the right of first refusal set forth herein. If Shareholder receives or obtains a bona fide offer to purchase all or part of the Shares, Shareholder shall notify (the date of such notice being hereinafter referred to as the "Offering Date") the Company of all pertinent details of the proposed Share Transfer, including the identity of the purchaser, the number of Shares that Shareholder proposes to transfer (the "Affected Shares") and the price at which the Affected Shares are to be sold and shall include a copy of the proposed purchaser's written offer. Said notice shall constitute an offer by Shareholder to sell to the Company all, but not less than all, of the Affected Shares upon the same terms and at the price quoted in the notice. The Company shall have 20 days after the Offering Date in which to accept the offer of Shareholder (the "Offering Period"). If the offer of the Company is accepted, the Affected Shares must be purchased within 60 days after the Offering Date upon the same terms and at the price quoted in the notice. If the offer of Shareholder is not accepted within the Offering Period, Shareholder shall be free to sell the Affected Shares; provided, however (i) that the sale shall be only to the identified purchaser and upon the same terms and at a price which is equal to or higher than the price described in the offer to the Company and (ii) that the sale must be consummated within six (6) months after the Offering Date. After the expiration of such six-month period or if the identity of the proposed purchaser changes, the Affected Shares shall again be subject to the provisions of this Agreement as though the offer to the Company had not previously been given.

(b) For purposes of this Paragraph 4, the Shareholder's written request to have Shares registered pursuant to Paragraph 7 shall be deemed a "bona fide written offer" with respect to such Shares, such Shares requested to be registered shall be deemed "Affected Shares", and the Company shall have the option to purchase such Affected Shares pursuant to the provisions of subparagraph (a) above. The price at which the Company may purchase such Affected Shares shall be established in the same manner by which the price of Option Shares is to be established pursuant to Paragraph 6 below except that any appraisal with respect to the Affected Shares shall be based upon the price expected to be received for such shares in the proposed public offering. If the Company does not accept the offer of the Shareholder to purchase the Affected Shares within ten (10) days after the purchase price of such shares has been established, then notwithstanding any provisions of subparagraph (a) above to the contrary, Shareholder will be permitted to sell such Affected Shares pursuant to such requested registration, regardless of the

price at which such shares are actually sold in such registration or the date on which it is completed.

5. Transfer to Affiliates. Without complying with the other provisions of this Agreement, Shareholder may make a Share Transfer to any corporation 100% of the voting capital stock of which is owned by Shareholder (a "Wholly-Owned Subsidiary"). Any Shares transferred to a Wholly-Owned Subsidiary hereunder shall remain subject to the provisions of this Agreement. To evidence further that such Shares are subject to this Agreement, any Wholly-Owned Subsidiary that has not previously executed this Agreement shall acknowledge its agreement to be bound by the terms of this Agreement. Until such Wholly-Owned Subsidiary has done so, the Company shall have no obligation to register any shares in the name of such Wholly-Owned Subsidiary or to recognize such Wholly-Owned Subsidiary as having any rights to such Shares.

6. Company's Option to Call Additional Shares for Redemption. The Company shall have the following option with respect to the Additional Shares and any Paragraph 8 Shares:

From and after the sixth (6th) anniversary of the date hereof through the thirtieth (30th) anniversary, the Company may, at its sole option and from time to time, call for redemption that number of shares of the Additional Shares (and any Paragraph 8 Shares) up to the number of shares which, if purchased from Shareholder, would reduce Shareholder's ownership of the equity of the Company to 20% (such shares being referred to hereinafter as the "Option Shares"). The Company may exercise such call option pursuant to a written notice of exercise (the "Option Notice"), the form of which is attached hereto as Exhibit A, with respect to all or part of the Option Shares, but it may not deliver an Option Notice with respect to less than twenty-five percent (25%) of the Option Shares unless less than 25% of the Option Shares are outstanding in which case the Company may call all, but not less than all, of such outstanding Option Shares. The Company shall not be permitted to deliver more than one Option Notice in any twelve month period or more than a total of twelve (12) Option Notices during the term of this call option. The purchase price payable for shares purchased pursuant to such call option shall be established as follows: If the Company and Shareholder have not established a mutually agreeable price for the shares within thirty days of the receipt by Shareholder of an Option Notice, then the Company will propose a nationally recognized investment banking firm to appraise the Option Shares. If Shareholder accepts the proposed investment banker, then that investment banker will appraise the Option Shares on a per share basis. Upon receipt of the appraisal, the Board of Directors of the Company shall review the appraisal and determine whether the Company elects to purchase at the appraised price. If the Company determines to proceed with the purchase, then it will so notify Shareholder and the purchase price shall be the appraised price. If Shareholder disapproves the investment banker proposed by the Company, then Shareholder will select a nationally recognized

investment banking firm to provide a second appraisal, and the two investment banking firms will simultaneously appraise the Option Shares. The purchase price, determined on a per share basis, shall be equal to the average of the two investment banking firms' appraisals. Upon receipt of the two appraisals, the Board of Directors of the Company will determine whether or not it elects to proceed with the purchase at the established price. The Company's election not to proceed with the purchase of any Option Shares will in no way waive or prejudice the Company's rights hereunder to purchase such shares thereafter. Any appraisal done by an investment banking firm shall be based upon a valuation method generally accepted in the bottling industry, including the discounted free cash flow method of valuation taking into account historical financial information and expected future growth trends, but such appraisal shall in no event take into account the trading price of the Company's Common Stock on NASDAQ or on any securities exchange. Notwithstanding the foregoing, the price per share paid by the Company for shares acquired pursuant to this call option shall in no event be less than $42.50 per share (subject to appropriate adjustment to reflect changes in the Company's capital structure); provided that such minimum price shall not apply to any Paragraph 8 Shares purchased by the Company as provided herein.

In the event that the Company exercises its call option described above and, within one year after the exercise of such option, all or substantially all of the issued and outstanding capital stock of the Company is acquired in a transaction in which the consideration per share of Common Stock to be received by shareholders of the Company exceeds the purchase price per share paid by the Company to Shareholder pursuant to the exercise of such call option, then Shareholder shall be entitled to receive an additional amount for the shares purchased by the Company equal to the difference between the price actually paid by the Company for such shares and the price that Shareholder would have received had such shares not been purchased by the Company.

The call option provided for in this Paragraph 6 shall automatically expire prior to the end of its stated term at such time as the Harrisons no longer exercise voting control over the Company. For purposes hereof, the "Harrisons" shall mean (i) J. Frank Harrison or executors or trustees under his will, (ii) J. Frank Harrison, III and (iii) the trusts which are parties to a Shareholders Agreement dated December 17, 1988 among Shareholder, J. Frank Harrison, J. Frank Harrison, III and such trusts.

7. Registration Rights. Shareholder shall have the right from time to time commencing on June 26, 1992, in the case of the Initial Shares, and January 27, 1994, in the case of the Additional Shares (and any Paragraph 8 Shares), to include any or all of the Shares in a registration statement filed with the Securities and Exchange Commission (the "Commission") by the Company under the Securities Act of 1933, as amended, in which

such shares may be included (other than a registration statement on Forms S-4 or S-8). The Company will give written notice to Shareholder of any such proposed registration, and Shareholder shall have 30 days after receipt of such notice to request in writing that such shares be included in such registration statement. Shares included in any such registration statement shall be subject to a customary 90-day hold-back if required by the managing underwriter(s) of the offering to which the registration statement relates. In addition, Shareholder shall have the right from time to time commencing on June 26, 1992, in the case of Initial Shares, and January 27, 1994, in the case of Additional Shares (and any Paragraph 8 Shares), to request in writing that the Company file a registration statement with the Commission with respect to some or all of the Shares, and, insofar as relates to Additional Shares (and any Paragraph 8 Shares), if the Company waives in writing its option as provided in Paragraph 6 hereof to call such Additional Shares (and any Paragraph 8 Shares), the Company shall use its best efforts to cause such registration statement to be filed and declared effective as promptly as is practicable. No registration statement need be filed in response to such a request containing financial statements with respect to a given fiscal year until 90 days after the end of such fiscal year if the Company's request is made after the end of such fiscal year. In addition, the Company may in good faith defer filing of such registration statement for a reasonable time in light of business developments relating to the Company. Shareholder shall be responsible for its own legal fees and expenses in connection with the filing of any registration statement to which this Paragraph 7 relates, as well as any broker's discounts or commissions, and the Company shall be responsible for all other fees and expenses in connection therewith. The Company and Shareholder shall indemnify and hold harmless each other (and any underwriter) in any such registration to the extent customary, provided that Shareholder shall be liable only with respect to information provided by it in writing to the Company relating to it and the Shares being registered.

The Company will use its best efforts to file on a timely basis with the Commission all information that the Commission may require under either Section 13 or Section 15(d) of the Securities Exchange Act of 1934, as amended, and shall use its best efforts to take all action that may be required as a condition to the availability of Rule 144 under the Securities Act (or any successor exemptive rule hereinafter in effect) with respect to the Common Stock. The Company shall furnish to any holder of Shares forthwith upon request (i) a written statement by the Company as to its compliance with the reporting requirements of Rule 144, (ii) a copy of the most recent annual or quarterly report of the Company as filed with the Commission, and (iii) any other reports and documents that a holder may reasonably request in availing itself of any rule or regulation of the Commission allowing a holder to sell any Shares without registration.

8. Shareholder's Options.

(a) If, at any time after January 27, 1989 and from time to time thereafter for so long as Shareholder (or any company in which Shareholder owns 40% or more of the voting shares) owns shares of the Company's Common Stock or Class B Common Stock ("Consolidated Stock"), the Company issues any additional shares of Consolidated Stock or issues any equity securities (including preferred stock or convertible debt) of any kind, then the Company will notify Shareholder of such issuance and the price and terms thereof, and Shareholder will have the option for a period of 60 days from receipt of such notice to purchase an "Amount" of such stock or securities on the same terms (or for cash having equivalent value in the event of an issuance for other than cash). In the case of issuance of Consolidated Stock, an "Amount" shall mean the smallest number of shares of the class or classes being issued which will allow Shareholder to maintain ownership of both 29.67% of the outstanding shares of common stock of all classes and 22.59% of the total votes of all outstanding shares of all classes of the Company; and in the case of an issuance of other equity securities, an "Amount" shall mean a number equal to that percentage of the equity securities so issued to persons other than Shareholder such that Shareholder would own 29.67% of the outstanding securities in such class after exercise of this option; provided, however, that if (i) Shareholder has voluntarily disposed of any of the Shares held by Shareholder as of the date hereof, including any additional shares which Shareholder has received as a result of any stock split or dividend or as a result of a purchase made to maintain Shareholder's 29.67% of the outstanding shares of common stock of all classes and 22.59% of the total votes of all outstanding shares of all classes of the Company, or (ii) the Company has exercised its call option with respect to Additional Shares provided for in Paragraph 6 of this Agreement, then each of the percentages set forth hereinabove shall be reduced by multiplying it by a fraction, the numerator of which shall be the number of shares which Shareholder would have in the absence of such voluntary disposition or such purchase by the Company, less the number of shares so disposed of by Shareholder or acquired by the Company, and the denominator of which shall be the number of shares which Shareholder would have had in the absence of such voluntary disposition or such purchase of shares by the Company.

(b) In the event that, due to conversions of outstanding shares of Class B Common Stock into shares of Common Stock or otherwise, Shareholder at any time owns 30.67% or more of the outstanding shares of common stock or 23.59% or more of the total votes of all outstanding shares of all classes of the Company, then the Company will promptly notify Shareholder and Shareholder will negotiate in good faith for a sale of the shares in excess of 29.67% to the Company and will in any event exchange that number of shares of Class B Common Stock owned by Shareholder for shares of Common Stock so that Shareholder thereafter will own not less than 20% (nor more than 21%) of the outstanding shares of

Class B Common Stock and hold not less than 22.59% (nor more than 23.59%) of the total votes of all outstanding shares of all classes of the Company. Notwithstanding any other provisions hereof, in the event that, due to the issuance of additional shares of Class B Common Stock upon the conversion or exercise of any security, warrant or option of the Company, Shareholder owns less than 20% of the outstanding shares of Class B Common Stock and less than 20% of the total votes of all outstanding shares of all classes of the Company, the Company will promptly notify Shareholder and will provide for the exchange of that number of shares of Common Stock owned by Shareholder for shares of Class B Common Stock so that Shareholder thereafter owns at least 20% of the outstanding shares of Class B Common Stock and at least 20% of the total votes of all outstanding shares of all classes of the Company; provided, however, that if (i) Shareholder has voluntarily disposed of any of the Shares held by it as of the date hereof, including any additional shares which Shareholder has received as a result of any stock split or dividend or as a result of a purchase made to maintain Shareholder's 29.67% of the outstanding shares of common stock of all classes and 22.59% of the total votes of all outstanding shares of all classes of the Company, or (ii) the Company has exercised its call option with respect to Additional Shares (or any Paragraph 8 Shares) pursuant to Paragraph 6 of this Agreement, then each of the percentages set forth hereinabove shall be reduced by multiplying it by a fraction, the numerator of which shall be the number of shares which Shareholder would have in the absence of such voluntary disposition or such purchase of shares by the Company, less the number of shares so disposed of or so purchased by the Company, and the denominator of which shall be the number of shares which the Company would have had in the absence of such voluntary disposition or such purchase of shares by the Company.

9. Election of Director.

As long as Shareholder holds, directly or indirectly, fifteen percent (15%) or more of the total voting power of all classes of common stock of the Company, the Company agrees to propose one person designated by Shareholder who shall be reasonably acceptable to the Company for nomination to its Board of Directors at each election of directors when such nomination would be necessary for Shareholder to have one representative on the Company's Board of Directors immediately following such election. The Company shall use its best efforts to cause the Shareholder's designee to become a member of the Company's Board of Directors as promptly as practicable following the date hereof. If at any time between elections Shareholder's nominee resigns or for any reason can no longer serve, the Company will use its best efforts to cause the vacancy to be filled by a person designated by Shareholder and reasonably acceptable to the Company.

10. Amendment to Investment Transaction Agreement.

The Investment Transaction Agreement is hereby amended by deleting therefrom, in their entirety, Section 5.2 and Articles VI and VII.

11. General Provisions.

(a) This Agreement and the rights of the parties hereto shall be governed by and construed in accordance with the laws of the State of Delaware.

(b) This Agreement may be executed in one or more counterparts, each of which will be deemed an original but all of which together shall constitute one and the same instrument.

(c) This Agreement shall terminate only upon the written agreement of the parties.

(d) An appropriate legend will be imprinted on the certificates of Common Stock and Class B Common Stock subject to this Agreement.

(e) If any provision of this Agreement shall be declared void or unenforceable by any court or administrative board of competent jurisdiction, such provision shall be deemed to have been severed from the remainder of this Agreement and this Agreement shall continue in all respects to be valid and enforceable.

(f) No waivers of any breach of this Agreement extended by any party hereto to any other party shall be construed as a waiver of any rights or remedies of any other party hereto or with respect to any subsequent breach.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

THE COCA-COLA COMPANY

By: /s/ ILLEGIBLE

Authorized Representative

COCA-COLA BOTTLING CO.
CONSOLIDATED

By: /s/ ILLEGIBLE

MASTER BOTTLE CONTRACT

THIS AGREEMENT, (this "Agreement") effective as of May 28, 1999 is made and entered into by and between THE COCA-COLA COMPANY, a corporation organized and existing under the laws of the State of Delaware having its principal place of business in Atlanta, Georgia (the "Company"), and SUBC, INC. a corporation organized and existing under the laws of the State of Delaware having its principal place of business in Sumter, South Carolina (the "Bottler").

WITNESSETH

WHEREAS

A. The Company manufactures and sells, or authorizes others to manufacture and sell, the soft drinks identified on Schedule A (as modified from time to time under paragraphs 21 and 22, the "Beverages"), the concentrates for the Beverages (the "Concentrates"), and the syrups prepared from the Concentrates (the "Syrups'), the formulas for all of which constitute trade secrets owned by the Company;

B. The Company is the owner of the trademarks identified on Schedule B (together with such other trademarks as may be authorized by the Company from time to time for current use by the Bottler under this Agreement, the "Trademarks"), which, among other things, identify and distinguish the Concentrates, the Syrups and the Beverages;

C. The primary business of the Bottler is to act as a bottler of the Beverages, either directly pursuant to certain agreements with the Company, all of which are identified on Schedule C (collectively, together with all amendments thereto, the "Existing Bottle Contracts"), or indirectly through one or more persons controlling, controlled by or under common control with the Bottler the "Bottler Affiliates");

D. The reputation of the Beverages as being of consistently superior quality has been a major factor in stimulating and sustaining demand for the Beverages, and special technical skill and constant diligence on the part of the Bottler and the Company are required in order for the Beverages to maintain the excellence that consumers expect; and

E. Conditions affecting the production, sale and distribution of Beverages have changed since the Company and the Bottler, or its predecessors-in-interest, entered into the Existing Bottle Contracts, and, as a consequence, the Company and the Bottler desire to amend the Existing Bottle Contracts, the terms of the Existing Bottle Contracts, as so amended, being restated in the form of this Agreement;

NOW THEREFORE, for and in consideration of the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and the Bottler agree as follows:

ARTICLE I

The Authorization

1. The Company authorizes the Bottler, and the Bottler undertakes, to manufacture and package the Beverages and to distribute and sell the Beverages only in Authorized Containers, as hereinafter defined, under the Trademarks in and throughout the territory described on Schedule D (together with any territories added under paragraph 31, and subject to the possible elimination of subterritories under paragraph 29, the "Territory").

2. The Company will, from time to time, in its discretion, approve containers of certain types, sizes, shapes and other distinguishing characteristics (collectively, subject to any additions, deletions and modifications by the Company, the "Authorized Containers"). A list of Authorized Containers for each Beverage will be provided by the Company to the Bottler, which list may be amended by the Company from time to time by additions, deletions or modifications. The Bottler is authorized to use only Authorized Containers in the manufacture, distribution and sale of the Beverages. The Company reserves the right to withdraw from time to time its approval of any of the Authorized Containers upon six (6) months notice to the Bottler, and, in such event, the repurchase provisions of subparagraph 28(e) shall apply to containers so disapproved that are owned by the Bottler. The Company will exercise its right to approve, and to withdraw its approval of, specific Authorized Containers in good faith so as to permit the Bottler to continue to satisfy the demand in the Territory as a whole for Beverages in containers of the nature identified on Schedule E.

ARTICLE II

Exclusive Authorization

3. The Company appoints the Bottler as its sole and exclusive purchaser of the Concentrates and Syrups for the purpose of manufacture, packaging and distribution of the Beverages under the Trademarks in Authorized Containers for sale in the Territory.

4. The Company agrees not to authorize any other party whatsoever to use the Trademarks on Beverages in Authorized Containers, or any other containers of the nature identified on Schedule E, for purposes of resale in the Territory.

5. The Bottler shall purchase its entire requirements of Concentrates and Syrups exclusively from the Company and shall not use any other syrup, beverage base, concentrate or other ingredient in the Beverages than as specified by the Company.

ARTICLE III

Obligations of Bottler Relating to Trademarks and Other Matters

6. The Bottler acknowledges that the Company is the sole and exclusive owner of the Trademarks, and the Bottler agrees not to question or dispute the validity of the Trademarks or their exclusive ownership by the Company. By this Agreement, the Company extends to the Bottler only: (i)a nonexclusive license to use the trademark "Coca-Cola" as part of the corporate name of the Bottler and (ii)an exclusive license to use the Trademarks solely in connection with

the manufacture, packaging, distribution, and sale of the Beverages in Authorized Containers in the Territory subject to the rights reserved to the Company under this Agreement. Nothing herein, nor any act or failure to act by the Bottler or the Company, shall give the Bottler any proprietary or ownership interest of any kind in the Trademarks or in goodwill associated therewith.

7. The Bottler agrees during the term of this Agreement and in accordance with any requirements imposed upon the Bottler, under applicable laws:

(a) Not to produce, manufacture, package, sell, deal in or otherwise use or handle any "Cola Product" (herein defined to mean any soft drink beverage which is generally marketed as a cola product or which is generally perceived as being a cola product) other than a soft drink manufactured, packaged, distributed or sold by the Bottler under authority of the Company;

(b) Not to manufacture, package, sell, deal in or otherwise use or handle any concentrate, beverage base, syrup, beverage or any other product which is likely to be confused with, or passed off for, any of the Concentrates, Syrups or Beverages;

(c) Not to manufacture, package, sell, deal in or otherwise use or handle any product under any trade dress or in any container that is an imitation of a trade dress or container in which the Company claims a proprietary interest or which is likely to be confused or cause confusion or be confusingly similar to or be passed off as such trade dress or container;

(d) Not to manufacture, package, sell, deal in or otherwise use or handle any product under any trademark or other designation that is an imitation, counterfeit, copy or infringement of, or confusingly similar to, any of the Trademarks; and

(e) Not to acquire or hold, directly or indirectly, any ownership interest in, or enter into any contract or arrangement with respect to the management or control of, any person within or without the Territory that engages in any of the activities prohibited under subparagraphs (a), (b), (c) or (d) of this paragraph 7.

ARTICLE IV

Obligations of Bottler Relating to Manufacture and Packaging of the Beverages

8. (a) The Bottler represents and warrants that the Bottler possesses, or will possess, in the Territory, prior to the manufacture, packaging and distribution of the Beverages, and will maintain during the term of this Agreement such plant or plants, machinery and equipment, trained staff, and distribution and vending facilities as are capable of manufacturing, packaging and distributing the Beverages in Authorized Containers in accordance with this Agreement, in compliance with all applicable governmental and administrative requirements, and in sufficient quantities to satisfy fully the demand for the Beverages in Authorized Containers in the Territory.

(b) The Company and the Bottler acknowledge that each is or may become a party to one or more agreements authorizing a bottler or other Company-authorized entity to produce Beverages for sale by another bottler. Such agreements include, but are not limited to (i) agreements permitting bottlers, subject to certain conditions, to commence or continue to manufacture the Beverages for other bottlers, and (ii) agreements pursuant to which bottlers may have the Beverages manufactured for them by other Company-authorized entities. It is hereby agreed that the Company shall not unreasonably withhold (i) any consents required by such agreements, or (ii) approval of Bottler's participation in such agreements. All such existing agreements shall remain in full force and effect in accordance with their terms.

9. The Bottler recognizes that increases in the demand for the Beverages, as well as changes in the list of Authorized Containers, may, from time to time, require adaptation of its existing manufacturing, packaging or delivery equipment or the purchase of additional manufacturing, packaging and delivery equipment. The Bottler agrees to make such modifications and adaptations as necessary and to purchase and install such equipment, in time to permit the introduction and manufacture, packaging and delivery of sufficient quantities of the Beverages in the Authorized Containers, to satisfy fully the demand for the Beverages in Authorized Containers in the Territory.

10. The Bottler warrants that the handling and storage of the Concentrates; the manufacture, handling and storage of the Syrups; and the manufacture, handling, storage and packaging of the Beverages shall be accomplished in accordance with the Company's quality control and sanitation standards, as reasonably established by the Company and communicated to the Bottler from time to time, and shall, in any event, conform with all food, labelling, health, packaging and other relevant laws and regulations applicable in the Territory.

11. The Bottler, in accordance with such instructions as may be given from time to time by the Company, shall submit to the Company, at the Bottler's expense, samples of the Syrups, the Beverages and the raw materials used in the manufacture of the Syrups and the Beverages. The Bottler shall permit representatives of the Company to have access to the premises of the Bottler during ordinary business hours to inspect the plant, equipment and methods used by the Bottler in order to ascertain whether the Bottler is complying with the instructions and standards prescribed for the manufacturing, handling, storage and packaging of the Beverages.

12. (a) For the packaging, distribution and sale of the Beverages, the Bottler shall use only such Authorized Containers, closures, cases, cartons and other packages and labels as shall be authorized from time to time by the Company for the Bottler and shall purchase such items only from manufacturers approved by the Company, which approval shall not be unreasonably withheld. The Company shall approve three or more manufacturers of such items, if in the reasonable opinion of the Company, there are three or more manufacturers who are capable of producing such items to be fully suitable for the purpose intended and in accordance with the high quality standards and image of excellence of the Trademarks and the Beverages. Such approval by the Company does not relieve the Bottler of the Bottler's independent responsibility to assure that the Authorized Containers, closures, cases, cartons and other packages and labels purchased by the Bottler are suitable for the purpose intended, and in accordance with the good reputation and image of excellence of the Trademarks and Beverages.

(b) The Bottler shall maintain at all times a stock of Authorized Containers, closures, labels, cases, cartons and other essential related materials bearing the Trademarks, sufficient to satisfy fully the demand for Beverages in Authorized Containers in the Territory, and the Bottler shall not use or permit the use of Authorized Containers, or such closures, labels, cases, cartons and other materials, if they bear the Trademarks or contain any Beverages, for any purpose other than the packaging and distribution of the Beverages. The Bottler further agrees not to refill or otherwise reuse nonreturnable containers.

13. If the Company determines the existence of quality or technical difficulties with any Beverage, or any package used for such product, the Company shall have the right, immediately and at its sole option, to withdraw such product or any such package from the market. The Company shall notify the Bottler in writing of such withdrawal, and the Bottler shall, upon receipt of notice, immediately cease distribution of such product or such package therefor. If so directed by the Company, the Bottler shall recall and reacquire the product or package involved from any purchaser thereof. If any recall of any product or any of the packages used therefor is caused by (i) quality or technical defects in the Syrup, Concentrate or other materials prepared by the Company from which the product involved was prepared by the Bottler, or (ii) quality or technical defects in the Company's designs and design specifications of packages which it has imposed on the Bottler or the Bottler's third party suppliers if such designs and specifications were negligently established by the Company (and specifically excluding designs and specifications of other parties and the failure of other parties to manufacture packages in strict conformity with the designs and specifications of the Company), the Company shall reimburse the Bottler for the Bottler's total expenses incident to such recall. Conversely, if any recall is caused by the Bottler's failure to comply with instructions, quality control procedures or specifications for the preparation, packaging and distribution of the product involved, the Bottler shall bear its total expenses of such recall and reimburse the Company for the Company's total expenses incident to such recall.

ARTICLE V

Conditions of Purchase and Sale

14. (a) The Company reserves the right to establish and to revise at any time, in its sole discretion, the price of any of the Concentrates or Syrups, the terms of payment, and the other terms and conditions of supply, any such revision to be effective immediately upon notice to the Bottler. If Bottler rejects a change in price or the other terms and conditions contained in any such notice, then the Bottler shall so notify the Company within thirty (30) days of receipt of the Company's notice, and this Agreement will terminate ninety (90) days after the date of such notification by the Bottler, without further liability of the Company or the Bottler. The change in price or other terms and conditions so rejected by the Bottler shall not apply to purchases of such Concentrate or Syrup by the Bottler during such ninety (90) day period preceding termination. Failure by the Bottler to notify the Company of its rejection of the changes in price or such other terms and conditions shall be deemed acceptance thereof by the Bottler.

(b) The Company shall sell to the Bottler, upon Bottler's request, either Syrup or Concentrate; provided, however, that once the Bottler or any Bottler Affiliate has elected to purchase Concentrate for any Company soft drink, the Company shall no longer be obligated to supply Syrup to the Bottler, and provided further that any such election by the Bottler or by any Bottler Affiliate to purchase Concentrate shall be with respect to all Company soft drinks.

15. The Bottler shall purchase from the Company only such quantities of the Concentrates or Syrups as shall be necessary and sufficient to carry out the Bottler's obligations under this Agreement. The Bottler shall use the Concentrates exclusively for its manufacture of the Syrups and shall use the Syrups exclusively for its manufacture of the Beverages. The Bottler shall not sell or otherwise transfer any Concentrate or Syrup or permit the same to get into the hands of third parties.

16. (a) The Bottler agrees not to distribute or sell any Beverage outside the Territory. The Bottler shall not sell any Beverage to any person (other than another bottler pursuant to subparagraph 8(b)) under circumstances where Bottler knows or should know that such person will redistribute the Beverage for ultimate sale outside the Territory. If any Beverage distributed by the Bottler is found outside of the Territory, Bottler shall be deemed to have transshipped such Beverage and shall be deemed to be a "Transshipping Bottler" for purposes hereof; provided, however, that if the Offended Bottler has not agreed to terms substantially similar to this subparagraph 16(a) with respect to the transshipment of Beverages, Bottler shall only be deemed to have transshipped such Beverage if Bottler knew or should have known that the purchaser would redistribute the Beverage outside of the Territory prior to ultimate sale. For purposes of this Agreement, "Offended Bottler" shall mean a bottler in any territory into which any Beverage is transshipped.

(b) In addition to all other remedies the Company may have against any Transshipping Bottler for violation of this paragraph 16, the Company may impose upon any Transshipping Bottler a charge for each case of Beverage transshipped by such bottler. The per-case amount of such charge shall be determined by the Company in its sole discretion and may be an amount not to exceed three times the Offended Bottler's most current average gross margin per case of the Beverage transshipped, as reasonably estimated by the Company. If the Offended Bottler does not sell the Beverage that has been transshipped, the Company may make the foregoing estimate on the basis of what it considers a comparable product. The Company and the Bottler agree that the amount of such charge shall be deemed to reflect the damages to the Company, the Offended Bottler and the bottling system. The Company shall forward to the Offended Bottler, upon receipt from the Transshipping Bottler, not less than an amount per case which approximates the Offended Bottler's most current average gross margin per case of the Beverage transshipped. If the Company or its agent recalls any Beverage which has been transshipped, the Transshipping Bottler shall, in addition to any other obligation it may have hereunder, reimburse the Company for its costs of purchasing, transporting and/or destroying such Beverage.

ARTICLE VI

Obligations of the Bottler Relating to the Marketing of the Beverages, Financial Capacity and Planning

17. The continuing responsibility to develop and stimulate and satisfy fully the demand for the Beverages in Authorized Containers within the Territory rests upon the Bottler. The Bottler agrees to use all approved means as may be reasonably necessary to meet this responsibility.

18. The parties agree that to develop and stimulate demand for the Beverages in Authorized Containers advertising and other forms of marketing activities are required. Therefore, the Bottler will spend such funds in advertising and marketing the Beverages as may be reasonably required to stimulate, as well as maintain, demand for the Beverages in Authorized Containers in the Territory. The Bottler shall fully cooperate in and vigorously promote all cooperative advertising and sales promotion programs and campaigns that may be reasonably established by the

Company for the Territory. The Bottler will use and publish only such advertising, promotional materials or other items bearing the Trademarks relating to the Beverages as the Company has approved and authorized. The expenditures required by this Article VI shall be made by the Bottler. The Company may, in its sole discretion, contribute to such expenditures. The Company may also undertake, at its expense, independently of the Bottler's marketing programs, any advertising or promotional activity that the Company deems appropriate to conduct in the Territory, but this shall in no way affect the responsibility of the Bottler for stimulating and developing the demand for the Beverages in Authorized Containers in the Territory.

19. The Bottler and all Bottler Affiliates shall maintain the consolidated financial capacity reasonably necessary to assure that the Bottler and all Bottler Affiliates directly or indirectly controlled by the Bottler will be financially able to perform their respective duties and obligations under this Agreement and under all other agreements between the Company and Bottler Affiliates regarding the manufacture, packaging, distribution and sale of the Beverages in "authorized containers" (as defined in such agreements).

20. (a) Since periodic planning is essential for the proper implementation of this Agreement, the Bottler and the Company shall meet annually, as close to the anniversary date of this Agreement as practicable or at such other annual date as the parties may set from time to time, to discuss the Bottler's plans for the ensuing year. At such meeting, the Bottler shall present a plan that sets out in reasonable detail satisfactory to the Company the marketing, management and advertising plans of the Bottler with respect to the Beverages for the ensuing year, including a financial plan showing that the Bottler and all Bottler Affiliates have the consolidated financial capacity to perform their respective duties and obligations under their respective agreements with the Company regarding the manufacture, packaging, distribution and sale of the Beverages in "authorized containers" (as defined in such agreements). The Company and the Bottler shall discuss this plan and this plan, upon approval by the Company, which shall not be unreasonably withheld, shall define the Bottler's obligation herein to maintain such consolidated financial capacity and to develop and stimulate and satisfy fully the demand for the Beverages in Authorized Containers in the Territory for the period of time covered by the plan.

(b) The Bottler shall report to the Company periodically, but not less than quarterly, as to its implementation of the approved plan; it is understood, however, that the Bottler shall report sales on a regular basis as requested by the Company and in such detail and containing such information as may be reasonably requested by the Company. The failure by the Bottler to carry out the plan, or if the plan is not presented or is not approved, will constitute a primary consideration for determining whether the Bottler has fulfilled its obligation to maintain the consolidated financial capacity required under paragraph 19 and to develop and stimulate and satisfy fully the demand for the Beverages in Authorized Containers in the Territory. If the Bottler carries out the plan in all material respects, it shall be deemed to have satisfied the obligations of the Bottler under paragraphs 17, 18, 19 and 20 for the period of time covered by the plan.

ARTICLE VII

Reformulation, New Products and Related Matters

21. The Company has the sole and exclusive right and discretion to reformulate any of the Beverages. In addition, the Company has the sole and exclusive right and discretion to discontinue any of the Beverages under this Agreement, provided (i) such Beverage is discontinued on a national basis in Authorized Containers and in such other containers as may have been authorized for use by other bottlers under their respective bottle contracts, and (ii) the Company does not discontinue all Beverages under this Agreement. In the event that the Company discontinues any Beverage, Schedule A to this Agreement shall be deemed amended by deleting the discontinued Beverage from the list of Beverages set forth on Schedule A.

22. In the event that the Company introduces any new beverage in the Territory under the trademarks "Coca-Cola" or "Coke" or any modification thereof (herein defined to mean the addition of a prefix, suffix or other modifier used in conjunction with the trademarks "Coca-Cola" or "Coke"), the Bottler shall be obligated to manufacture, package, distribute and sell such new beverage in Authorized Containers in the Territory pursuant to the terms and conditions of this Agreement, and Schedule A to this Agreement shall be deemed amended by adding such new beverage to the list of Beverages set forth on Schedule A.

23. The Company has the unrestricted right to use the Trademarks on the Beverages and on all other products and merchandise other than the Beverages in Authorized Containers in the Territory.

ARTICLE VIII

Term and Termination of the Agreement

24. The term of this Agreement shall commence on the effective date hereof and, unless earlier terminated in accordance with its provisions, will continue perpetually.

25. The obligation to supply Concentrates or Syrups to the Bottler and the Bottler's obligation to purchase Concentrates or Syrups from the Company and to manufacture, package, distribute and sell the Beverages under this Agreement shall be suspended during any period when any of the following conditions exist:

(a) There shall occur a change in the law or regulation (including, without limitation, any government permission or authorization regarding customs, health or manufacturing) in such a manner as to render unlawful or commercially impracticable:

(i) the importation of Concentrate or Syrup or any of its essential ingredients, which cannot be produced in quantities sufficient to satisfy the demand therefor by existing Company facilities in the United States; or

(ii) the manufacture and distribution of the Concentrates, Syrups or Beverages; or

(b) There shall occur any inability or commercial impracticability of either of the parties to perform resulting from an act of God, or "force majeure", public enemies, boycott, quarantine, riot, strike, or insurrection, or due to a declared or undeclared war, belligerency or embargo, sanctions, blacklisting, or other hazard or danger incident to the same, or resulting from any other cause whatsoever beyond its control.

If any of the conditions described in this paragraph 25 persists so that either party's obligation to perform is suspended for a period of six (6) months or more, the other party may terminate this Agreement forthwith, upon notice to the party whose obligation to perform is suspended.

26. (a) The Company may terminate this Agreement in the event of the occurrence of any of the following events of default:

(i) If the Bottler becomes insolvent; if a petition in bankruptcy is filed against or on behalf of the Bottler which is not stayed or dismissed within sixty (60) days; if the Bottler is put in liquidation or placed under sequester, if a receiver is appointed to manage the business of the Bottler, or if the Bottler enters into any judicial or voluntary arrangement or composition with its creditors, or concludes any similar arrangements with them or makes an assignment for the benefit of creditors;

(ii) If the Bottler adopts a plan of dissolution or liquidation;

(iii) If any person or any Affiliated Group, other than (a) the stockholders of the Bottler at the effective date of this Agreement or (b) any person or any Affiliated Group acting with the consent of the Company, acquires, or obtains any contract, option, conversion privilege or other right to acquire, directly or indirectly, Beneficial Ownership of more than ten percent (10%) of any class or series of voting securities of the Bottler, and if such person or Affiliated Group does not divest itself of Beneficial Ownership of such voting securities or otherwise terminate any such contract, option, conversion privilege or other right within thirty (30) days after the Company notifies the Bottler that the failure of such person or Affiliated Group to thus divest or terminate may result in termination of this Agreement;

(iv) If any Disposition is made without the consent of the Company by Bottler or by any Bottler Subsidiary of any voting securities of any Bottler Subsidiary;

(v) If any agreement regarding the manufacture, packaging, distribution or sale of the Beverages in "authorized containers" (as defined in such agreement) between the Company and any person that controls, directly or indirectly, the Bottler is terminated, unless the Company agrees in writing that this subparagraph 26(a)(v) will not be applied by the Company to such termination; or

(vi) If the Bottler or any person in which the Bottler has Beneficial Ownership of any equity or voting securities, or in which the Bottler has a right of control of management, or which controls or is under common control with the Bottler, should engage directly or indirectly in the manufacture, distribution or marketing of any product specified in subparagraphs (a), (b), (c) or (d) of paragraph 7 above, or should obtain a right or license to do the same, and if the Company has given the Bottler notice that such condition exists and that the Company will terminate this Agreement within six (6) months if such condition is not eliminated, and if such condition has not been eliminated within the six (6) month period.

(b) For purposes of this Agreement:

(i) "Affiliated Group" shall mean two or more persons acting as a partnership, limited partnership, syndicate or other group, or who agree to act together, for the purpose of acquiring, holding, voting or making any Disposition of any voting securities of the Bottler, provided further that the Affiliated Group formed thereby shall be deemed to have acquired Beneficial Ownership of all voting securities of the Bottler beneficially owned by any such persons.

(ii) "Beneficial Ownership" shall mean (i) voting power which includes the power to vote, or to direct the voting of, any securities, or (ii) investment power which includes the power to dispose, or to direct the Disposition of, any securities; provided further Beneficial Ownership shall include any such voting power or investment power which any person has or shares, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise; provided, however, that the following persons shall not be deemed to have acquired Beneficial Ownership under the circumstances described: (a) a person engaged in business as an underwriter of securities who acquires securities through his participation in good faith in a firm commitment underwriting registered under the Securities Act of 1933 shall not be deemed to be the Beneficial Owner of such securities until such time as such underwriter completes his participation in the underwriting and shall not thereupon or thereafter be deemed to be the Beneficial Owner of the securities acquired by other members of any underwriting syndicate or selected dealers in connection with such underwriting solely by reason of customary underwriting or selected dealer arrangements; (b) a member of a national securities exchange shall not be deemed to be a Beneficial Owner of securities held directly or indirectly by it on behalf of another person solely because such member is the record holder of such securities and, pursuant to the rules of such exchange, may direct the vote of such securities, without instruction, on other than contested matters or matters that may affect substantially the rights or privileges of the holders of the securities to be voted, but is otherwise precluded by the rules of such exchange from voting without instruction; and (c) the holder of a proxy solicited by the Board of Directors of the Bottler for the voting of securities of such Bottler at any annual or special meeting and any adjournment or adjournments thereof of the stockholders of such Bottler shall not be deemed to be a Beneficial Owner of the securities that are the subject of the proxy solely for such reason.

(iii) "Bottler Subsidiary" shall mean any person that is controlled directly or indirectly by the Bottler, and that is a party, or controls directly or indirectly a party, to an agreement with the Company regarding the manufacture, packaging, distribution or sale of the Beverages in "authorized containers" (a defined in such agreement);

(iv) "Disposition" shall mean any sale, merger, issuance of securities or other transaction in which, or as a result of which, any person other than Bottler or a wholly owned subsidiary of Bottler, acquires, or obtains any contract, option, conversion privilege or other right to acquire Beneficial Ownership of any securities.

(c) Upon the occurrence of any of the events of default specified in subparagraph 26(a), the Company may terminate this Agreement by giving the Bottler notice to that effect, effective immediately.

27. (a) In addition to the events of default described in paragraph 26, the Company may also terminate this Agreement, subject to the limitations of subparagraph 27(b), in the event of the occurrence of any of the following events of default:

(i) If the Bottler fails to make timely payment for Concentrate or Syrup, or of any other debt owing to the Company;

(ii) If the condition of the plant or equipment used by the Bottler in manufacturing, packaging or distributing the Beverages fails to meet the sanitary standards reasonably established by the Company;

(iii) If the Syrups or Beverages manufactured by the Bottler fail to meet the quality control standards reasonably established by the Company;

(iv) If the Beverages are not manufactured in strict conformity with such standards and instructions as the Company may reasonably establish;

(v) If the Bottler fails to carry out a plan approved under paragraph 20 in all material respects; or

(vi) If the Bottler materially breaches any of the Bottler's other obligations under this Agreement.

The standards and instructions of the Company comprise privately published information concerning manufacture, handling and storage of the Beverages under good manufacturing practices, as well as technical instructions, bulletins and other communications issued or amended from time to time by the Company (including, but not limited to, Syrup Room Practices, Quality Control and Engineering Standards and GMP: A Guide to Good Manufacturing Practices, as they may be amended or supplemented from time to time).

(b) Upon the occurrence of any of the foregoing events of default, the Company shall, as a condition to termination of this Agreement under this paragraph 27, give the Bottler notice thereof. The Bottler shall then have a period of sixty (60) days within which to cure the default, including, at the instruction of the Company and at the Bottler's expense, by the prompt withdrawal from the market and destruction of any Syrup or Beverage that fails to meet the quality control standards of the Company or any Beverage that is not manufactured in accordance with the instructions of the Company. If such default his not been cured within such period, then the Company may, by giving the Bottler further notice to such effect, suspend sales to the Bottler of Concentrates and Syrups and require the Bottler to cease production of the Syrups and the Beverages and the packaging and distribution of Beverages in Authorized Containers. During such second period of sixty (60) days, the Company also may supply, or cause or permit others to supply, the Beverages in Authorized Containers under the Trademarks in the Territory. If such default has not been cured during such second period of sixty (60) days, then the Company may terminate this Agreement, by giving the Bottler notice to such effect, effective immediately.

28. Upon the termination of this Agreement:

(a) The Bottler shall forthwith take such action as necessary to eliminate the trademark "Coca-Cola" from its corporate name;

(b) Any other agreement between the Company and the Bottler regarding the manufacture, packaging, distribution, sale or promotion of soft drinks in "authorized containers" (as defined in such agreement) may, at the election of the Company, be automatically terminated and thereby became of no further force or effect;

(c) The Bottler shall not thereafter continue to manufacture, package, distribute or sell any of the Beverages in Authorized Containers or to make any use of the Trademarks or Authorized Containers, or any closures, cases, labels or advertising material bearing the Trademarks;

(d) The Bottler shall forthwith remove and efface all reference to the Company, the Beverages and the Trademarks from the business premises and equipment of the Bottler and from all business paper and advertising used or maintained by the Bottler; and it shall not thereafter hold forth in any manner whatsoever that it has any connection with the Company or the Beverages; and,

(e) The Bottler shall forthwith deliver all Concentrate, Syrup, Beverage, usable returnable or any nonreturnable containers, cases, closures, labels, and advertising material bearing the Trademarks, still in the Bottler's possession or under the Bottler's control, to the Company or the Company's nominee, as instructed, and, upon receipt, the Company shall pay to the Bottler a sum equal to the reasonable market value of such supplies or materials. The Company will accept and pay for only such articles as are, in the opinion of the Company, in first class and usable condition, and all other such articles shall be destroyed at the Bottler's expense. Containers, closures and advertising material and all other items bearing the name of the Bottler, in addition to the Trademarks, that have not been purchased by the Company shall be destroyed without cost to the Company, or otherwise disposed of in accordance with instructions given by the Company, unless the Bottler can remove or obliterate the Trademarks therefrom to the satisfaction of the Company. The provisions for repurchase contained in subparagraph 28(e) shall apply with regard to any Authorized Container, approval of which has been withdrawn by the Company under paragraph 2; upon termination by either party under paragraph 25; and upon termination by the Bottler under subparagraph 14(a). In all other cases, the Company shall have the right, but not the obligation, to purchase the aforementioned items from the Bottler.

29. (a) Subject to the limitations set forth in subparagraph 29(b), in the event that the Bottler at any time fail to carry out a plan approved under paragraph 20 in all material respects in any geographic segment of the Territory, which segment shall be defined by the Company (hereinafter "Subterritory"), the Company may reduce the Territory covered by this Agreement, and thereby restrict the Bottler's authorization hereunder to the remainder of the Territory, by eliminating the Subterritory' from the Territory covered by this Agreement.

(b) In the event of such failure, the Company may eliminate Subterritories from the Territory covered by this Agreement by giving the Bottler notice to that effect, which notice shall define the Subterritory or Subterritories to which the notice applies. The Bottler shall then have a period of six (6) months within which to cure such failure. If the Bottler has not cured such failure in such six (6) month period, the Company may eliminate such Subterritory, or Subterritories from the Territory by giving the Bottler further notice to that effect, effective immediately.

(c) Upon elimination of any Subterritory from the Territory:

(i) Schedule D to this Agreement shall be deemed amended by eliminating such Subterritory from the Territory described on Schedule D;

(ii) The Company may manufacture, package, distribute and sell the Beverages in Authorized Containers under the Trademarks in such Subterritory, or authorize others to do so;

(iii) Any other agreement between the Bottler and the Company regarding the manufacture, packaging, distribution or sale of soft drinks in "authorized containers" **(**as defined in such agreement) in such Subterritory may, at the election of the Company, be automatically terminated and thereby become of no further force or effect in such Subterritory,

(iv) The Bottler shall not thereafter continue to manufacture, package, distribute or sell any of the Beverages in Authorized Containers in such Subterritory, or to make any use of the Trademarks, Authorized Containers, closures, cases, labels or advertising material bearing the Trademarks in connection with the sale or distribution of the Beverages in such Subterritory; and

(v) The Bottler shall not thereafter hold forth in such Subterritory in any manner whatsoever that it has any connection with the Beverages.

ARTICLE IX

Transferability/Additional Territories

30. The Bottler hereby acknowledges the personal nature of the Bottler's obligations under this Agreement with respect to the performance standards applicable to the Bottler, the dependence of the Trademarks on proper quality control, the level of marketing effort required of the Bottler to stimulate and maintain demand for the Beverages in Authorized Containers, and the confidentiality required for protection of the Company's trade secrets and confidential information. In recognition of the personal nature of these and other obligations of the Bottler under this Agreement, the Bottler may not assign, transfer or pledge this Agreement or any interest therein, in whole or in part, whether voluntarily, involuntarily, or by operation of law (including, but not limited to, by merger or liquidation), or delegate any material element of the Bottler's performance thereof, or sublicense its rights hereunder, in whole or in part, to any third party or parties, without the prior consent of the Company. Any attempt to take such action without such consent shall be void and shall be deemed to be a material breach of this Agreement.

31. In the event that the Bottler acquires the right to manufacture and sell any of the Beverages in any container that has been designated as an Authorized Container in any territory in the United States outside of the Territory, such additional territory shall automatically be deemed to be included within the Territory covered by this Agreement for all purposes. Any separate agreement that may exist concerning such additional territory shall be *ipso facto* amended to conform to the terms of this Agreement. In addition, if the Bottler acquires control, directly or indirectly, of any person which is a party, or which controls directly or indirectly a party, to an agreement whereby such party has the right to manufacture and sell any of the Beverages in any territory in the United States in any container that has been designated as an Authorized Container, the Bottler shall cause such party to amend such agreement, effective as of the date of acquisition of control of such party, to conform to the terms of this Agreement with respect to all such territory in the United States.

ARTICLE X

Litigation

32. (a) The Company reserves the right to institute any civil, administrative or criminal proceeding or action, and generally to take or seek any available legal remedy it deems desirable, for the protection of its good reputation and industrial property rights (including, but not limited to, the Trademarks), as well as for the protection of the Concentrates, the Syrups, the Beverages and the formulas therefor, and to defend any action affecting these matters. At the request of the Company, the Bottler will render reasonable assistance in any such action. The Bottler may not claim any right against the Company as a result of such action or for any failure to take such action. The Bottler shall promptly notify the Company of any litigation or proceeding instituted or threatened affecting these matters. The Bottler shall not institute any legal or administrative proceedings, against any third party which may affect the interests of the Company in connection with this Agreement without the Company's prior consent.

(b) The Company has the sole and exclusive right and responsibility to prosecute and defend all suits relating to the Trademarks. The Company may prosecute or defend any suit relating to the Trademarks in the name of the Bottler whenever an issue in such suit involves the Territory and therefore it is appropriate to act in the Bottler's name, or may proceed alone in the name of the Company, provided that the Company shall take no action in the Bottler's name which the Company knows or should know will materially prejudice or impair the rights or interests of the Bottler under this Agreement.

(c) The Bottler recognizes the importance and benefit to itself and all other bottlers of the Beverages of protecting the interest of the Company in the Beverages, Authorized Containers and the goodwill associated with the Trademarks. Therefore, the Bottler agrees to consult with the Company on all products liability claims or lawsuits brought against the Bottler in connection with the Beverages or Authorized Containers and to take such action with respect to the defense of any such claim or lawsuit as the Company may reasonably request in order to protect the interest of the Company in the Beverages, Authorized Containers and goodwill associated with the Trademarks. Further, the bottler shall supervise, control and direct the defense of all such products liability claims and lawsuits brought against it in a manner that is reasonably calculated to be consistent with the Company's aforementioned interest. The Bottler and the Company shall individually be responsible for their respective liability, loss, damage, costs, attorneys fees and expenses arising out of or in connection with any such products liability claim or lawsuit brought against them whether individually or jointly; provided, however, that the Bottler and the Company expressly reserve all rights of contribution and indemnity as prescribed by law.

ARTICLE XI

Automatic Amendment

33. In the event that eighty percent (80%) of the bottlers who are parties to agreements with the Company containing substantially the same terms as this Agreement, which bottlers purchased for their own account eighty percent (80%) or more of all of the Syrup and equivalent gallons of Concentrate for Beverages purchased for the account of all such bottlers, agree to any different provisions to be included in this Agreement, then the Bottler hereby agrees to include an amendment containing such different provisions in this Agreement. The gallons of Syrup and equivalent gallons of Concentrate purchased by such bottlers shall be determined based on the most recently-ended calendar year prior to the date such amendment was first offered to bottlers.

ARTICLE XII

General

34. For purposes of this Agreement, the following terms shall have the meanings set forth below:

(a) "person" means an individual, a corporation, a partnership, a limited partnership, an association, a joint-stock company, a trust, any unincorporated organization, or a government or political subdivision thereof.

(b) "control" (including terms "controlling", "controlled by" and "under common control with") means: (i) Beneficial Ownership of a majority of any class or series of voting securities of a person; or (ii) the power or authority, directly or indirectly to elect or designate a majority of the members of the board of directors, or other governing body of a person.

35. The Company hereby reserves for its exclusive benefit all rights of the Company not expressly granted to the Bottler under the terms of this Agreement.

36. Without relieving the Bottler of any of its responsibilities under this Agreement, the Company, from time to time during the term of this Agreement, at its option and either free of charge or on such terms and conditions as the Company may propose, may offer technology to the Bottler which the Company possesses, develops or acquires (and is free to furnish to third parties without obligation) relating to the design, installation, operation and maintenance of the plant and equipment appropriate for the maintenance of product quality, sanitation and safety as well as for the efficient manufacture and packaging of the Beverages; or relating to personnel training, accounting methods, electronic data processing and marketing and distribution techniques.

37. The Bottler agrees:

(a) It will not disclose to any third party any nonpublic information whatsoever concerning the composition of the Concentrates, the Syrup or the Beverages, without the prior consent of the Company, and it will use any such information solely to perform its obligations hereunder;

(b) It will at all times treat and maintain as confidential, all nonpublic information that it may receive at any time from the Company, including, but not limited to:

(i) Information or instructions of a technical or other nature, relating to the mixing, sale, marketing and distribution of the product;

(ii) Information about projects or plans worked out in the course of this Agreement; and

(iii) Information constituting manufacturing or commercial trade secrets.

The Bottler further agrees to disclose such information, as necessary to perform its obligations hereunder, only to employees of its enterprise: (i) who have a reasonable need to know such information; (ii) who have agreed to keep such information secret; and (iii) whom the Bottler has no reason to believe is untrustworthy; and

(c) Upon the termination of this Agreement, Bottler will promptly surrender to the Company all original documents and all photocopies or other reproductions in its possession (including, but not limited to, any extracts or digests thereof) containing or relating to any nonpublic information described in this paragraph 37. Following such termination, and the surrender of such materials, the Bottler and its employees shall continue to hold any nonpublic information in confidence and refrain from any further use or disclosure thereof whatsoever, provided that such obligation shall expire as to any nonpublic information that does not constitute trade secrets ten (l0) years following such termination.

38. The Bottler agrees that it will not enter into any contract or other arrangement to manage or participate in the management of any other Coca-Cola bottler without the prior consent of the Company.

39. The Bottler is an independent manufacturer and not the agent of the Company. The Bottler agrees that it will not represent that it is an agent of the Company nor hold itself out as such.

40. The Bottler covenants and agrees that, so long as this Agreement is in effect the Bottler shall deliver to Company:

(a) Quarterly Statements. As soon as such statements are made available to the public, or if such statements are not regularly made available to the public, within thirty days after each fiscal quarter, an unaudited income and expense statement and balance sheet for the Bottler certified as correct by the chief financial officer of the Bottler;

(b) Annual Audit Statement. As soon as such statements are made available to the public, or if such statements are not regularly made available to the public, within 120 days after the end of each fiscal year, statements of income and retained earnings of the Bottler for the just-ended fiscal year, and a balance sheet of the Bottler as of the end of such year, accompanied by an opinion from the independent public accountants of the Bottler; and

(c) Other Information. With reasonable promptness such other financial information as the Company may reasonably request.

41. The Bottler shall maintain its books, accounts and records in accordance with generally accepted accounting principles and shall permit any person designated in writing by the Company to visit and inspect any of its properties, corporate books and financial records, and make copies thereof and take extracts therefrom, and to discuss the accounts and finances of the Bottler with the principal officers thereof, all at such times as the Company may reasonably request. The Company's rights of inspection under this paragraph 41 shall be exercised reasonably, and only for purposes of determining Bottler's compliance with its obligations under paragraph 19, so as not to interfere with the normal operation of the Bottler's business. The Company will treat and maintain as confidential for a period of one year all nonpublic financial information received from the Bottler.

42. The parties agree:

(a) The Existing Bottle Contracts identified on Schedule C are hereby amended, superseded and restated in, their entirety, and all rights, duties and obligations of the Company and the Bottler regarding the Trademarks and the manufacture, packaging, distribution and sale of the Beverages in Authorized Containers shall be determined under this Agreement, without regard to the terms of any prior agreement and without regard to any prior course of conduct between the parties;

(b) As to all matters addressed herein, this Agreement sets forth the entire agreement between the Company and the Bottler, and all prior understandings, commitments or agreements relating to such matters between the parties or their predecessors-in-interest are of no force or effect; and

(c) Any waiver or modification of this Agreement or any of its provisions, and any notices given or consents made under this Agreement shall not be binding upon the Bottler or the Company unless made in writing, signed by an officer or other duly qualified and authorized representative of the Company or by a duly qualified and authorized representative of the Bottler, and personally delivered or sent by telegram, telex or certified mail to an officer or other duly qualified and authorized representative of the Company (if from the Bottler) or a duly qualified and authorized representative of the Bottler (if from the Company) at the principal address of such party.

43. Failure of the Company to exercise promptly any option or right herein granted or to require strict performance of any such option or right shall not be deemed to be a waiver of such option or right, or of the right to demand subsequent performance of any and all obligations herein imposed upon the Bottler.

44. The Company may delegate any of its rights, performance or obligations under this Agreement to any subsidiaries or affiliates of the Company upon notice to the Bottler, but no such delegation shall relieve the Company of its obligations hereunder.

45. If any provision of this Agreement, or the application thereof to any party or circumstance shall ever be prohibited by or held invalid under applicable law, such provision shall be ineffective to the extent of such prohibition without invalidating the remainder of such provision or any other provision hereof, or the application of such provision to other parties or circumstances.

46. This Agreement shall be governed, construed and interpreted under the laws of the State of Georgia.

IN WITNESS WHEREOF, the parties have duly executed this Agreement in duplicate effective as of the day and year first above written.

	SUBC, INC.		**THE COCA-COLA COMPANY** **COCA-COLA USA DIVISION**
	(Bottler)		
By:		By:	
Title:	**Vice President**	Title:	**General Counsel**
Date:	September 13, 2000	Date:	11/30/00

Exhibit 10.4

STATE OF NORTH CAROLINA

DEFERRED COMPENSATION AGREEMENT

COUNTY OF MECKLENBURG

AGREEMENT made this 1st day of October, 1987, between Robert D. Pettus, Jr., Vice President of Coca Cola Bottling Co. Consolidated, (the "Vice President"); and (the "Select Employee").

In consideration of the agreements hereinafter contained, the parties hereto agree as follows:

1. Employment. The Corporation agrees to continue the employment of the Employee and the Employee agrees to serve the Board of Coca Cola Bottling Co. Consolidated, this date, until terminated by either party by written notice to the other.

2. Duties. During the term of his employment, the Employee shall devote all of his time, attention, skill and efforts to the performance of his duties for the Corporation.

3. Compensation. The Corporation shall pay the Employee deferred compensation as provided in paragraph 5 below.

4. Deferred Compensation Account.

a. Credits to Account. A general ledger account hereinafter referred to as the Deferred Compensation Account, shall be established for the purpose of reflecting deferred compensation with at least $_____ being credited thereto on October 1, 1987, or as soon as practical thereafter and with at

least $_____ being credited thereto on each October 1, thereafter during the continuance of the Employee's employment hereunder. However, the Corporation may credit additional amounts at other times at its discretion.

b. Investment Authority. Any such funds so credited to the Deferred Compensation Account may be kept in cash or invested and reinvested in mutual funds, life insurance (whole life or term insurance), stocks, bonds, securities or any other assets as may be selected by the Corporation in its discretion. In the exercise of the foregoing discretionary investment powers, the Corporation may engage investment counsel and, if it so desires, may delegate to such counsel full or limited authority to select the assets in which the funds are to be invested.

c. Investment Losses. The Employee agrees on behalf of himself and his designated beneficiary to assume all risk in connection with any decrease in value of the funds which are invested or which continue to be invested in accordance with the provision of this Agreement.

d. Investment Ownership. Title to and beneficial ownership of any assets, whether cash or investments, which the Corporation may earmark to pay the deferred compensation hereunder, shall at all times remain in the Corporation, and the Employee and his designated beneficiary shall not have any property interest whatsoever in any specific assets of the Corporation.

5. Benefits. The benefits to be paid as deferred

compensation are as follows:

a. Termination of Service. Upon termination of employment for any reason other than death or disability of the Employee, the Employee's Vested Benefit shall be payable to him in _____ annual installments of substantially equal amounts. For purposes of this paragraph, the term "Vested Benefits" shall mean the fair market value of the Deferred Compensation Account on the date employment is terminated multiplied by the percentage vested which corresponds to the Employee's completed months of participation as shown on the following schedule:

Completed Months of Participation Since October 1, 1987	Percentage Vested
Less than 36	0%
36 but less than 48	33%
48 but less than 60	66%
60 or more	100%

Each annual installment may include a rate of earnings on the amounts credited to the Deferred Compensation Account determined entirely at the discretion of the majority of the Board of Directors of the Coca Cola Bottling Co. Consolidated prior to payment on the remaining balance until the Account shall have been paid out in full. If the Employee should die on or after termination of service and before the installment payments are completed, the unpaid balance will continue to be paid in installments for the unexpired portion of such period to his designated beneficiary in the same manner as set forth above.

b. Disability. If the Employee's employment is terminated because of disability while he is in the employ of the

Corporation, then Employee shall become fully vested in the amounts credited in paragraph 4.a. above and the Corporation shall make _____ annual payments of substantially equal amounts to the Employee in the same manner and to the same extent as provided in paragraph 5.a. above.

c. Designated Beneficiary. The beneficiary referred to in this paragraph may be designated or changed by the Employee (without the consent of any prior beneficiary) on a form provided by the Corporation and delivered to the Corporation before his death. If no such beneficiary shall have been designated, or if no designated beneficiary shall survive the Employee, the installment payments, payable under paragraph 5.a. above shall be payable to the Employee's estate.

d. Disability Determination. The Employee shall be deemed to have become disabled for purposes of paragraph 5.b. above if the Corporation shall find that (1) the Employee cannot engage in other gainful employment and (2) the Employee is under the regular personal care of a physician and (3) the Employee is unable to perform the important duties of his/her regular occupation so that the Employee is either totally or partially disabled, whether emotionally, mentally or physically, and is prevented from engaging in further employment by the Corporation because the disability will be permanent and continuous during the remainder of his life.

e. Payment Commencement. The (installment) payment(s) to be made to the Employee under paragraphs 5.a.. and 5.b. above shall commence on the next business day of the calendar year

following the date of the termination of his employment. The (installment) payment (s) to be made to the designated beneficary under the provisions of this paragraph 5 shall continue to be made on the same payment schedule as if the Employee had survived.

f. Death. Should the Employee die prior to commencement of installment payments in paragraph 5.a., then the Employee shall be deemed to be fully vested and all amounts payable under said paragraph shall be paid to the designated beneficiary as soon as practicable thereafter.

g. Hardship. If the corporation shall determine in its sole discretion that the Employee is in dire need of the benefits payable herein, then it shall be authorized to distribute such funds as it deems necessary to maintain the standard of living of the Employee and his or her family which existed before the hardship befell the Employee. The Employee's preferences shall be excluded from the consideration of this matter by the Corporation.

6. No Trust. Nothing contained in this Agreement and no action taken pursuant to the provisions or execution of this agreement shall create or be construed to create a trust of any kind or a fiduciary relationship between the Corporation and Employee, his designated beneficiary or any other person.

7. No Assignment. The right of the Employee or any other person to the payment of benefits under this Agreement shall not be assigned, transferred, pledged or encumbered except by Will or by the laws of descent and distribution.

8. Incapacity of Beneficiary. If the Corporation shall find that any person to whom any payment is payable under this Agreement is unable to care for his affairs because of illness or accident or is a minor, any payment due (unless a prior claim therefore shall have been made by a duly appointed guardian, committee or other legal representative) may be paid to the spouse, a child, a parent, or a brother or sister, or to any person deemed by the Corporation to have incurred expense for such person otherwise entitled to payment, in accordance with the applicable provision of paragragh 5. above. Any such payment shall be a complete discharge of the liabilities of the Corporation under this Agreement.

9. Board's Powers and Liabilities. The Corporation shall have full power and authority to interpret, construe and administer this Agreement and the Corporation's interpretations and construction thereof, and action thereunder, including any valuation of the Deferred Compensation Account, or the amount or recipient of the payment to be made therefrom, shall be binding and conclusive on all persons for all purposes. No member of the Board of Directors of Coca Cola Bottling Co. Consolidated shall be liable to any person for any action taken or omitted in connection with the interpretation and administration of this Agreement unless attributable to his own willful misconduct or lack of good faith.

10. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the Corporation, its successors and assigns and the Employee and his heirs, executors, administrators

and legal representatives.

11. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of North Carolina.

12. Compliance with Code, Etc. It is intended and understood by the parties hereto that this Agreement complies with the provision of the Internal Revenue Code and Regulations in effect at the time of its execution. If, at a later date, the laws of the United States or of the State of North Carolina are construed in such a way as to make this Agreement void and of no effect, then this Agreement will be given effect in such manner as will best carry out the purposes and intentions of the parties.

13. Severability. If this Agreement shall ever be interpreted by the Internal Revenue Service as ineffective with regard to deferral of the Employee's income, and such interpretation shall become final and unappealable, then only those amounts in the account which would be treated as taxable income by the Internal Revenue Service at the time of such final interpretation, would be paid over to the Employee. All other assets in the account at the time of such final interpretation would be distributed to the Employee according to paragraph 5 above.

IN WITNESS WHEREOF, the Corporation has caused this Agreement to be executed by its duly authorized officers and the Employee hereunto has set his hand and seal as of the date first above written.

COCA COLA BOTTLING CO. CONSOLIDATED

(CORPORATE SEAL)

By: /s/ ROBERT D. PETTUS

Robert D. Pettus, Jr., Vice-President

ATTEST:

SECRETARY

(SEAL)

Employee

Exhibit 10.7

PARTNERSHIP AGREEMENT
OF CAROLINA COCA-COLA BOTTLING PARTNERSHIP

THIS PARTNERSHIP AGREEMENT made and entered into as of the 2nd day of July, 1993, between Carolina Coca-Cola Bottling Investments, Inc., a Delaware corporation ("KO Sub"), Coca-Cola Ventures, Inc., a Delaware corporation ("Ventures"), Coca-Cola Bottling Co. Affiliated, Inc., a Delaware corporation ("Affiliated"), Fayetteville Coca-Cola Bottling Company, a North Carolina corporation ("Fayetteville"), and Palmetto Bottling Company, a South Carolina corporation ("Palmetto"), for the formation of Carolina Coca-Cola Bottling Partnership, a general partnership to be formed under the Uniform Partnership Act of the State of Delaware (the "Partnership").

W I T N E S S E T H:

WHEREAS, KO Sub is a wholly owned subsidiary of The Coca-Cola Company, a Delaware corporation ("KO");

WHEREAS, Ventures, Affiliated, Fayetteville and Palmetto are indirect, wholly owned subsidiaries of Coca-Cola Bottling Co. Consolidated ("CCBCC"), a Delaware corporation;

WHEREAS, KO owns certain bottling territories located in Virginia, North Carolina and South Carolina through its wholly owned subsidiary, Carolina Coca-Cola Holding Company ("Carolina Holding");

WHEREAS, CCBCC operates certain bottling territories located in North Carolina, South Carolina and Georgia owned by it directly or through its wholly owned subsidiary, Sunbelt Coca-Cola Bottling Company, Inc. ("Sunbelt");

WHEREAS, KO Sub, Affiliated, Fayetteville and Palmetto desire to form a general partnership under the laws of the State of Delaware to engage in the Business (as hereinafter defined) and to engage in such other activities as may be determined from time to time by the parties in accordance with the terms of this Agreement;

WHEREAS, immediately following the formation of the Partnership, Affiliated and Fayetteville will transfer their entire Interest in the Partnership to Ventures, which (by its execution of this Agreement) assumes all of the rights and obligations of Affiliated and Fayetteville under this Agreement;

WHEREAS, Ventures and Palmetto (collectively referred to as "CCBCC Sub") and KO Sub will thereafter continue as general partners of the Partnership;

NOW, THEREFORE, in consideration of the premises and of the mutual promises, obligations and agreements contained herein, the parties hereto, intending to be legally bound, do hereby agree as follows:

Section 1. Definitions.

1.1. Defined Terms. As utilized in this Agreement, the capitalized terms shall have the meanings set forth in the DAA Agreement. "DAA Agreement" shall mean the Definition and Adjustment Agreement of even date herewith among the Partnership, KO, CCBCC, KO Sub, Ventures, Sunbelt, Coastal, Eastern, Carolina Holding and certain other Affiliates of KO and CCBCC, which provides (among other things) for the adjustment of (i) the initial capital contributions to the Partnership described in Section 7.1 and (ii) the purchase price paid by the Partnership and CCBC Wilmington under the Affiliated Purchase Agreement, the Coastal Purchase Agreement, the Fayetteville Purchase Agreement, the Goldsboro Purchase Agreement, the Palmetto Purchase Agreement and the Wilmington Purchase Agreement.

1.2 Other Terms. The following terms shall have the meanings set forth in the Section of this Agreement indicated below:

Defined Term	Section
Appraised Value	18.3
Buy-Sell Notice	17.2(a)
Capital Account	7.3
CCBCC Portion	20.3(a)
Deadlock	17.1
Defaulting Partner	18.1
Disclosing Party	22.4
Dissolution Banker	20.3(b)
Dissolving Event	20.2
E&Y	13.3
Initial Term	5.1
Initiating Partner	17.2(a)
KO Portion	20.3(a)
Net Loss	9.1
Net Profit	9.1
Non-Defaulting Partner	18.2
Notice of Partners Deadlock	17.1
Notice of Final Deadlock	17.1
Option Exercise Notice	18.2
Proposed Value	17.2(a)
PW	18.3
Receiving Party	22.3
Sale Notice	16.2
Selling Notice	16.2
Selling Partner	16.2
Tax Matters Partner	13.2
Terminating Notice	5.1

Terminating Partner	5.1
Termination Notice	5.1
Transfer	16.1
Value Opinion	18.3

Section 2. Formation of Partnership.

The Partners do hereby agree to and do hereby form the Partnership pursuant to the provisions of the Act. Unless otherwise expressly provided in this Agreement, the rights and liabilities of the Partners shall be as provided in the Act. To the extent that the provisions of this Agreement conflict with any provisions of the Act, the provisions of this Agreement shall control, to the extent permitted by law, and the conflicting provisions of the Act shall be deemed waived to the maximum extent permitted by law.

Section 3. Name and Principal Office.

3.1. Name. The name of the Partnership shall be "Carolina Coca-Cola Bottling Partnership". The Partners agree that the right to use such trademark and trade name shall be subject to the terms of the Bottling Agreements with KO to which the Partnership is a party.

3.2. Principal Office. The principal office of the Partnership shall be located at 1900 Rexford Road, Charlotte, North Carolina 28211, or at such other place as may be designated from time to time by the Executive Committee.

3.3. Title to Property. Title to all Partnership property shall be held in the name of the Partnership rather than in the names of the Partners.

Section 4. Business of Partnership.

4.1. Business. The business of the Partnership shall consist of (i) engaging in the Business in the Territory, and (ii) engaging in such other business activities as shall be authorized by the Executive Committee.

4.2. Competition. Any Partner, and any shareholder, officer, director, employee or Affiliate of any Partner, may engage in or possess an interest in other business ventures of every nature and description, independently or with others, whether or not such ventures are competitive with the Partnership or otherwise, and neither the Partnership nor a Partner nor any shareholder, officer, director, employee or Affiliate of such Partner shall have any right by virtue of this Agreement in or to such independent ventures or to the income or profits derived therefrom. The Partners acknowledge and agree that no Partner shall be in violation of its obligations hereunder or in breach of any fiduciary duty to the Partnership if such Partner fails to present any business opportunity to the Partnership or fails or

refuses to approve any business venture of the Partnership so that such Partner may pursue such business venture independently of the Partnership. Nothing in this Section 4.2 shall be construed to amend or affect any rights or obligations of CCBCC or its Affiliates and KO or its Affiliates, as the case may be, under any agreements between them whether currently in effect or hereafter executed.

Section 5. Term of Partnership.

The term of the Partnership shall begin as of the date hereof and shall continue until the twenty-fifth anniversary of this Agreement (the "Initial Term"), unless earlier terminated as provided in Section 20. No later than one year prior to the expiration of the Initial Term, any Partner (the "Terminating Partner") may notify the other Partners in writing that it desires to terminate the Partnership as of the expiration of the Initial Term (the "Termination Notice"). If none of the Partners delivers a Termination Notice within the applicable period, the term of the Partnership shall continue thereafter for successive additional two-year terms which will renew automatically until any Partner gives a Termination Notice at least one year prior to the expiration of a term. If a Termination Notice is delivered, the Partnership shall be liquidated and its affairs shall be wound up pursuant to Section 20.

Section 6. Partnership Interests. Notwithstanding any adjustment in the Partners' Capital Account balances, each partner's Interest in the Partnership shall be as follows:

KO Sub	50.00%
Affiliated	10.26%
Fayetteville	13.09%
Palmetto	26.65%

Upon the transfer of the Interests held by Affiliated and Fayetteville to Ventures, Ventures' Interest will be 23.35%.

Section 7. Capital.

7.1. Initial Capital Contributions.

(a) Simultaneously with the execution of this Agreement, KO Sub has contributed to the capital of the Partnership a promissory note in the amount of SEVENTY MILLION DOLLARS ($70,000,000).

(b) Simultaneously with the execution of this Agreement:

(i) Palmetto has contributed to the capital of the Partnership (A) a promissory note in the amount of TWENTY-ONE MILLION SEVEN HUNDRED FORTY-FIVE THOUSAND EIGHT HUNDRED

EIGHTY-FIVE DOLLARS ($21,745,885), and (B) the Palmetto Contributed Assets set forth on Schedule 7.1(b)-1 hereto;

(ii) Affiliated has contributed to the capital of the Partnership the Affiliated Contributed Assets set forth on Schedule 7.1(b)-2 hereto; and

(iii) Fayetteville has contributed to the capital of the Partnership the Fayetteville Contributed Assets set forth on Schedule 7.1(b)-3 hereto.

The Partners agree that the net value of the CCBCC Contributed Assets is $48,254,115, subject to adjustment as provided in the DAA Agreement.

(c) Affiliated, Fayetteville and Palmetto have executed and delivered to the Partnership instruments of transfer, reasonably satisfactory in form and substance to KO and its counsel, in order to vest in the Partnership as of the date hereof good and valid title to the CCBCC Contributed Assets. From time to time after the date hereof, Affiliated, Fayetteville and Palmetto shall promptly execute and deliver, or cause to be executed and delivered, to the Partnership such other instruments of transfer, powers of attorney and other documents, as may be requested by and in form and substance reasonably satisfactory to the Partnership, KO and their respective counsel, in order to more effectively vest in the Partnership title to and possession of the CCBCC Contributed Assets in accordance with this Agreement.

(d) The Partnership shall be responsible for all sales and transfer taxes resulting from the transfer of the CCBCC Contributed Assets.

7.2. Additional Capital Contributions.

(a) Following the final determination of the value of the CCBCC Contributed Assets pursuant to the DAA Agreement, CCBCC Sub shall make any additional capital contribution in cash as is required by the provisions of the DAA Agreement.

(b) Each Partner will be obligated to contribute additional cash or other property to the capital of the Partnership at such times and in such increments as shall be determined by the Executive Committee.

7.3. Capital Accounts. A separate “Capital Account” shall be maintained for each Partner, and the amount of such Capital Account, as of any particular date, shall be the sum of the following amounts:

(a) The cumulative amount of cash that has been contributed to the capital of the Partnership by such Partner as of such date; plus

(b) The agreed upon net value (as of the date of contribution) of any property (other than cash) that has been contributed to the capital of the Partnership by such Partner as of such date; plus

(c) The cumulative amount of the Partnership's Net Profit that has been allocated to such Partner pursuant to Section 9.2 hereof, minus

(d) The cumulative amount of the Partnership's Net Loss that has been allocated to such Partner pursuant to Section 9.2 hereof, and minus

(e) The cumulative amount of cash and the net fair market value (as of the date of distribution) of any property (other than cash) that has been distributed to such Partner by the Partnership, except as provided in Section 20 hereof.

The foregoing provisions and other provisions of this Agreement relating to the maintenance of capital accounts are intended to comply with Regulation Section 1.704-1(b) and shall be interpreted and applied in a manner consistent with such Regulations.

7.4. Interest on and Return of Capital. No Partner shall be entitled to any interest on its Capital Account. Except as otherwise provided in Sections 10.1, 20.3 and 20.4 hereof, no Partner shall have the right to demand a return of all or any part of its initial or subsequent contributions to the capital of the Partnership.

Section 8. Other Transactions.

8.1. Bottler Transfers. (a) Simultaneously with the execution of this Agreement, KO has caused (i) the sale to the Partnership of the Coastal Assets and the Goldsboro Assets and (ii) the sale to CCBC Wilmington of 100% of the stock of the Wilmington Group Bottlers. Such sales have been consummated pursuant to the terms of the Coastal Purchase Agreement, the Goldsboro Purchase Agreement and the Wilmington Purchase Agreement.

(b) Simultaneously with the execution of this Agreement, CCBCC and certain of its Affiliates have caused the sale to the Partnership of the CCBCC Purchased Assets. Such sales have been consummated pursuant to the terms of the Affiliated Purchase Agreement, the Fayetteville Purchase Agreement and the Palmetto Purchase Agreement. .

(c) Simultaneously with the execution of this Agreement, the Partnership has executed a reimbursement agreement with CCBCC for the reimbursement to CCBCC for the payment of certain retiree medical and life expenses to former employees of CCBCC and its Affiliates.

(d) Simultaneously with the execution hereof, Sunbelt has entered into an Employee Assignment and Assumption Agreement with each of Coastal and Goldsboro pursuant to which Sunbelt will employ certain employees of Coastal and Goldsboro and will assume responsibility for payment of certain employment-related liabilities of Coastal and Goldsboro as provided therein.

8.2. Management Agreement. Simultaneously with the execution of this Agreement, CCBCC, the Partnership and other parties have entered into the Management Agreement.

8.3. Bank Financing. The Partners and the Partnership will each use its best efforts to cause bank financing for the Partnership in the amount of at least $215,000,000 to be completed as promptly as practicable following the execution of this Agreement.

8.4. Insurance. Simultaneously with the execution of this Agreement, KO Sub and CCBCC Sub have provided for the Partnership to be insured as provided in the Management Agreement.

Section 9. Allocations of Net Profit and Net Loss.

9.1. Definition of Net Profit and Net Loss. For purposes of this Agreement, the Partnership's "Net Profit" or "Net Loss", as the case may be, for each fiscal year shall be an amount equal to the Partnership's taxable income or loss for such fiscal year as determined under Section 703(a) of the Code (for this purpose, all items of income, gain, loss or deduction required to be stated separately pursuant to Section 703(a)(1) of the Code shall be included in taxable income or loss), except that such Net Profit or Net Loss shall be computed as if items of tax-exempt income and nondeductible, non-capital expenditures (under Sections 705(a)(1)(B) and 705(a)(2)(B) of the Code) realized and incurred by the Partnership during such fiscal year were included in the computation of taxable income or loss.

9.2. Allocation of Net Profit and Net Loss. The Partnership's Net Profit or Net Loss, as the case may be, for any fiscal year of the Partnership shall be allocated among the Partners in proportion to their respective Interests.

9.3. Tax Allocations. In accordance with Section 704(c) of the Code any gain with respect to any property contributed to the capital of the Partnership shall, solely for tax purposes, be allocated among the Partners in a manner which takes into account all of the difference between the adjusted basis and the fair market value (as determined pursuant to the DAA Agreement) of such contributed property at the time of contribution. In the case of any real property or bottling contracts that are contributed to the Partnership with an adjusted tax basis that is less than the agreed fair market value of such property, tax depreciation and amortization must be allocated under the "Traditional Method" in

accordance with the principles of Proposed Regulation 1.704-3(b). Upon a sale or disposition of such contributed property an allocation of all of the tax gain recognized by the Partnership shall be specially allocated to the contributing Partner to the extent of the difference between the property's date of contribution adjusted tax basis and date of contribution fair market value that has not previously been taken into account under the previous sentence. Upon the sale or other disposition of Section 1250 or Section 1245 recapture property, recapture generally shall be allocated to the Partners in proportion to the gain, if any, allocated to the Partners. To the extent that gain is specially allocated to a Partner pursuant to this Section 9.3, however, any recapture shall be allocated to such Partner to the extent of such specially allocated gain and any remaining recapture, if any, shall be allocated in proportion to the allocation of the remaining gain. Allocations pursuant to this Section 9.3 are solely for the purposes of federal, state and local taxes and shall not affect, or in any way be taken into account in computing, any Partner's Capital Account or share of net profit, net loss, other items or distributions pursuant to any provision of this Partnership Agreement.

Section 10. Distributions to Partners.

10.1 Cash Flow. The cash flow of the Partnership shall be distributed to the Partners in proportion to their Interests in the Partnership at such times and in such amounts as the Executive Committee may determine or as provided in the DAA Agreement.

10.2. Distributions in Kind. Distributions in kind of the property of the Partnership, in liquidation or otherwise, shall be made only with the approval of the Executive Committee and only at a fair market value established by the Executive Committee. Prior to any such distribution in kind, the difference between such agreed upon fair market value and the book value of such property shall be credited or charged, as appropriate, to the Partners' Capital Accounts in proportion to their Interests in the Partnership. Upon the distribution of such property, such agreed upon fair market value shall be charged to the Capital Account of the Partner or Partners receiving such distribution.

Section 11. Management of Partnership.

11.1 Executive Committee.

(a) The Partnership shall be managed by the Executive Committee in accordance with this Agreement. The Executive Committee shall supervise the Partnership on behalf of the Partners as provided herein.

(b) The Executive Committee shall consist of four members, with two members being appointed by each of CCBCC Sub and KO Sub, and reasonably acceptable to the other party. The Partners agree to appoint to the Executive Committee individuals

who are professionally qualified, knowledgeable and experienced in the soft drink business. Each of CCBCC Sub and KO Sub may also appoint an unlimited number of alternate members of the Executive Committee. Any alternate member appointed by a Partner may attend any meeting of the Executive Committee in the place of any member of the Executive Committee appointed by such Partner, and such alternate member shall for all purposes (including quorum and voting requirements) be treated as a member of the Executive Committee with respect to such meeting.

(c) Each of CCBCC Sub and KO Sub may remove any member of the Executive Committee which it has so appointed and may appoint at any time a successor thereto. In the event a member resigns, is removed or becomes unable to serve, the Partner which appointed such member shall within 15 days appoint a successor member of the Executive Committee. Each of CCBCC Sub and KO Sub shall appoint a Co-Chairman of the Executive Committee from among the members appointed by it. If any subcommittees of the Executive Committee are established, each of CCBCC Sub and KO Sub shall have an equal representation among the members of such subcommittees.

(d) Actions requiring prior approval of the Executive Committee are as listed on Exhibit 11.1(d).

(e) Notwithstanding the approval requirements set forth on Exhibit 11.1(d) or any other provisions of this Agreement, the representatives of each Partner on the Executive Committee shall have the full and complete authority to act for and on behalf of the Partnership and the Subsidiaries with respect to any claims made by the Partnership or its Subsidiaries against the other Partner or its Affiliates or any claims made by the other Partner or its Affiliates against the Partnership or any Subsidiary, including, without limitation, any claims by or against KO with respect to the Bottling Agreements and any claims by or against CCBCC with respect to the Management Agreement. Such authority shall include, without limitation, the right to initiate, prosecute and defend any legal proceeding and to authorize the expenditure of funds of the Partnership for attorneys fees and other expenses relating to any such claim.

(f) Notwithstanding anything herein to the contrary, in the event the General Manager, any Partner or any employee of the Partnership receives any notice of any investigation or proceeding by any Governmental Entity affecting or in connection with the formation or conduct of the Partnership, such person shall promptly notify each of the Partners in the manner provided herein to permit the Partners to take such steps as may, under the circumstances, be appropriate.

11.2. Meetings of the Executive Committee.

(a) Regular meetings of the Executive Committee shall be held at such times and places as the Executive Committee shall

designate, provided that the Executive Committee shall meet not less than four times a year and no more than five months shall elapse between meetings unless otherwise mutually agreed by the Partners, and provided further that the Executive Committee shall hold a meeting in the first half of December each year for the approval of the Annual Business Plan for the next year. Meetings shall be convened by either of the Co-Chairmen, one of whom, on an alternating basis, shall preside (or appoint an alternate member to preside in his stead) at all meetings of the Executive Committee whether in person, by telephone or video conference. Special meetings of the Executive Committee shall be convened by either of the Co-Chairmen at any reasonable time and place at the request of any member upon not less than five days' notice to be given by telefax to each member. Each member shall be informed by telefax not less than five days in advance of any meeting of the agenda of matters to be presented to the meeting. Emergency meetings may be held without notice with the agreement of both Co-Chairmen or all Partners. Members may be accompanied at meetings of the Executive Committee or any other subcommittee meeting by any one or more advisors as they shall select and members of the Finance Committee may be invited to the meetings of the Executive Committee by any member of the Executive Committee. The members of the Executive Committee shall designate a member or some other person to act as secretary and take minutes at each meeting of the Executive Committee.

(b) A quorum for any meeting of the Executive Committee shall be all of the members of the Executive Committee. For purposes of this Agreement, "presence" shall mean physical presence, participation by telephone or video conference or the like presence of an alternate designated by any member in writing. Any member of the Executive Committee may represent and vote on behalf of any other member at any meeting by written proxy signed with respect to that particular meeting and any such member represented by proxy shall be included in determining the presence of a quorum.

(c) All decisions of the Executive Committee shall be taken by unanimous vote of all members of the Executive Committee. Any action which can be taken by the Executive Committee in a duly called meeting may also be taken by a written consent executed by all of the members of the Executive Committee.

(d) Meetings of the Executive Committee or any subcommittee may be held by conference telephone or any similar communications equipment by means of which all persons participating in the meeting can hear each other.

(e) The members of the Executive Committee will receive no compensation, but will be reimbursed for their reasonable out-of-pocket expenses in attending meetings of the Executive Committee.

11.3. Finance Committee.

(a) The Executive Committee shall establish a Finance Committee, which shall consist of two members, and may delegate to the Finance Committee such functions of the Executive Committee as may be agreed to by all the members of the Executive Committee. KO Sub and CCBCC Sub shall each appoint one member of the Finance Committee, who shall not be a member of the Executive Committee, and each Partner's appointment shall be reasonably acceptable to the other.

(b) All of the members of the Finance Committee shall be present for a quorum to exist. Members of the Finance Committee may not appoint an alternate member or grant any proxy to act for such member, but an alternate member may be appointed for any member by the Partner who has appointed such member. The provisions of Sections 11.2(c), (d) and (e) hereof shall apply to the Finance Committee. The Finance Committee shall meet as needed and all actions taken by the Finance Committee shall be recorded in written communications to all members of the Executive Committee. The Executive Committee shall ratify the actions of the Finance Committee at its next scheduled meeting, based on a report from the Finance Committee.

11.4. Operational Management. The Executive Committee may appoint an individual to serve as General Manager. The General Manager shall have such authority as may be designated by the Executive Committee, subject to the terms of this Agreement and the requirement that the Executive Committee approve those items listed on Exhibit 11.1(d).

11.5. Annual Business Plan.

(a) Attached hereto as Exhibit 11.5(a) is the Partnership's Annual Business Plan for the Partnership's first fiscal year ending January 2, 1994. Not later than sixty (60) days before the end of each fiscal year of the Partnership, CCBCC Sub or the Manager under the Management Agreement shall prepare and recommend to the Finance Committee a draft Annual Business Plan for the next succeeding fiscal year. The Finance Committee shall review such projections and make such modifications as it deems necessary and present it to the Executive Committee on or before its December meeting immediately preceding the fiscal year that is the subject of the Annual Business Plan. The Executive Committee shall thereafter hold a meeting for the purpose of considering and adopting the Annual Business Plan. The Partners will review each proposed Annual Business Plan in a reasonable and expeditious manner. If the Executive Committee is unable to agree on an Annual Business Plan for any fiscal year, then, pending such agreement, the approved budget for that year shall be based on (i) amounts submitted to the Finance Committee (as may be modified by the Finance Committee) with respect to items that are not in dispute plus (ii) 100% of the prior year's budget as set forth in the prior year's Annual Business Plan with respect to items that

are in dispute plus (iii) recurring items otherwise approved during the prior year at such prior year's cost.

(b) Unless otherwise specifically authorized by the Executive Committee or the Finance Committee, the officers of CCBCC Sub and the Manager shall be authorized to conduct the operations and business of the Partnership, and to pay the expenses thereof out of Partnership funds, only in accordance with the approved Annual Business Plan for the then-current fiscal year.

11.6. Interested Partners. No contract or business venture involving the Partnership shall be void or voidable because a Partner or any Affiliate of such Partner has a financial interest in such contract or business venture, nor shall any such financial interest prevent such Partner or the member of the Executive Committee appointed by such Partner from participating in the deliberations of the Partnership concerning such contract or business venture or from casting a vote with respect to such contract or business venture; provided that prior to participating in such deliberations or casting such vote, such Partner or the member of the Executive Committee appointed by such Partner discloses to the other Partners or the Executive Committee all material facts relating to the interest of such Partner in such contract or business venture. Such member of the Executive Committee may appoint an alternate member of the Executive Committee to cast any vote. The member of the Executive Committee appointed by any such interested Partner may be counted in determining the presence of a quorum at any meeting of the Executive Committee.

Section 12. Banking.

Unless otherwise approved by the Executive Committee or as reflected in the Management Agreement, the funds of the Partnership may be kept in a separate account or accounts in the name of the Partnership in such bank or banks as may be designated by the Executive Committee. All withdrawals from such an account shall be made on such signature or signatures as shall be designated by the Executive Committee. The Partnership may also enter into such agreements with the Manager as may be required for the cash management of the Partnership.

Section 13. Accounting.

13.1. Books of Account. The Partnership books of account shall be maintained at the principal office of the Partnership or such location and by such person or persons as may be designated by the Executive Committee. The Partnership books of account shall be maintained on a fiscal year basis and shall be kept in accordance with such method of accounting as may be adopted by the Executive Committee.

13.2. Tax Matters Partner. CCBCC Sub shall act as the "Tax Matters Partner" for the Partnership. The Tax Matters Partner shall be authorized to act on behalf of the Partnership in administrative or judicial proceedings relating to the determination of Partner items of income, deduction and credit for tax purposes. The Tax Matters Partner may enter into and execute on behalf of all Partners an agreement with the Internal Revenue Service extending the time periods relating to submitting administrative adjustment requests for the Partnership and, with the approval of the Executive Committee, extending the statute of limitations for making an assessment of federal income taxes. Any such agreements will be binding on all Partners. The Tax Matters Partner may not enter into any agreement with the Internal Revenue Service which affects the amount, deductibility or credit of any Partnership tax item without the prior approval of the Executive Committee. In the event of an audit of the Partnership's income tax returns, the Tax Matters Partner will provide all Partners with the information required by law relating to the administrative or judicial proceedings for the adjustment of Partnership tax items.

13.3. Annual Audit.

(a) On or prior to March 15 of each year, representatives of the Manager shall complete such reviews as they deem necessary with respect to the Partnership's accounts for the prior fiscal year and will deliver the financial statements for such year to KO Sub and Ernst & Young or such other accounting firm as may be selected by KO ("E&Y"). E&Y shall have the right to review all internal work papers, including having access to all Persons who participated in such account reviews and their respective work papers. If KO Sub and CCBCC Sub do not agree on any item(s) in such financial statements which exceed $5,000 in the aggregate, the item(s) in dispute shall be submitted to an accounting firm jointly designated by Price Waterhouse & Co. or such other accounting firm as may be selected by CCBCC Sub ("PW") and E&Y, the determination of which shall be final and binding on the Partners. The costs and expenses of E&Y and PW shall be borne by the Partnership.

(b) The external audit of the Partnership's financial statements shall be performed each year by a "Big Six" accounting firm selected by CCBCC Sub subject to the reasonable approval of KO Sub. In the event of a reasonable rejection of CCBCC Sub's selection by KO Sub, the Partners will negotiate in good faith to select a mutually acceptable external auditor. If the Partners are unable to agree, then the Executive Committee will solicit at least two bids for such services from jointly-selected "Big Six" accounting firms. The Partnership shall contract with the accounting firm offering the lowest bid for such services, or as may be otherwise agreed by the Executive Committee.

13.4. Financial Statements. The Manager of the Partnership shall cause to be prepared and shall provide to the Partners the following written reports:

(a) Monthly Reports. As soon as practicable following the end of each of the first three (3) months of the term of this Agreement (but in no event more than 60 days following each such month-end), and thereafter within twenty-five (25) days after the end of each of the first eleven (11) months of each fiscal year, and within forty-five (45) days after the end of the twelfth month of each fiscal year, unaudited financial statements for the Partnership, including profit and loss statements and balance sheets, which clearly summarize the activities and financial position of the Partnership for the month then ended and the current fiscal year to date.

(b) Audit Report. Within ninety (90) days after the end of each fiscal year, audited financial statements of the Partnership, including a balance sheet of the Partnership as at the end of such fiscal year and a statement of income and retained earnings and a statement of cash flow for the Partnership for such year, setting forth in each case in comparative form such items as at the end of and for the previous fiscal year, together with all necessary footnotes and the opinion of the independent certified public accountants for the Partnership.

(c) Tax Returns. Within one hundred fifty (150) days after the end of each fiscal year, all necessary financial and other data required by each Partner for inclusion in or preparation of its tax returns.

13.5. Inspection. Each Partner shall have the right, at its own expense, to examine and inspect, at any reasonable time, any books, records, properties or operations of the Partnership and to make copies or extracts of such books and records (including, without limitation, records relating to insurance losses).

13.6. Fiscal Year. The first fiscal year of the Partnership shall commence on the date hereof and end on January 2, 1994. Thereafter, the fiscal year of the Partnership shall be consistent with CCBCC Sub's fiscal year end.

Section 14. Reimbursement of Partners' Expenses.

14.1. Expenses of Partners. Each Partner shall bear its respective legal, accounting and other expenses incurred in connection with the formation of the Partnership and the other transactions contemplated by this Agreement; provided, however, that the parties agree that the DAA Agreement shall provide that the aggregate purchase price paid by the Partnership under the Coastal Purchase Agreement, the Goldsboro Purchase Agreement and the Wilmington Purchase Agreement shall be increased by the amount of any such expenses incurred by KO or its Affiliates.

14.2. Expenses to Be Paid by the Partnership. The Partnership shall pay, and shall reimburse the Partners and their Affiliates for, (a) all expenses which are authorized in the Annual Business Plan for the then-current fiscal year or which are approved by the Executive Committee and (b) all expenses of any kind incurred by any Partner or its Affiliates in connection with the transactions described in Section 8.3 of this Agreement (except for any expenses of KO which are included in the Purchase Expenses).

14.3. Expenses To Be Paid By the Partners. The Partners and their Affiliates shall not receive any reimbursement from the Partnership for any expenses incurred by them which are not authorized in the Annual Business Plan for such fiscal year or which are not otherwise approved by the Executive Committee or the Finance Committee.

Section 15. Withdrawal from Partnership.

Each of the Partners covenants and agrees that it will not voluntarily withdraw from the Partnership and will carry out its duties and responsibilities hereunder until the Partnership is terminated, liquidated and dissolved pursuant to Section 20 hereof or unless such Partner's Interest is completely disposed of in compliance with the provisions of any of Sections 16 through 19 hereof.

Section 16. Transfer of Interests.

16.1. Limitation on Transfers. (a) Each of the Partners agrees that it shall not sell, dispose of, or otherwise transfer or encumber any of its Interests in the Partnership (hereinafter referred to as a "Transfer") at any time, except as provided for in Sections 16 through 19 of or elsewhere in this Agreement. The Partners shall cause the Partnership not to recognize as a party to this Agreement any transferee of any Partner's Interest which was transferred other than in compliance with the terms and restrictions of this Agreement, and, unless there has been such compliance, any transferee of such Interest shall have no rights whatsoever under this Agreement or in the Partnership. Notwithstanding the foregoing, at any time after December 31, 1996, either Partner may request a good faith negotiation to buy from or sell to the other party all of its Interest. Each Partner shall be at all times precluded from Transferring less than its entire Interest without the express written consent of the other Partner.

(b) The Interests of Ventures and Palmetto shall be treated as owned by a single Partner for the purposes of Sections 16, 17, 18 and 19 of this Agreement such that no Transfer of the Interest of Ventures or Palmetto may occur without the simultaneous Transfer to the same transferee of the entire Interest owned by the other. Any reference to a "Partner" in such

Sections shall be deemed to refer to KO Sub, on the one hand, and Ventures and Palmetto collectively, on the other hand.

16.2. Right of First Refusal.

(a) If at any time after June 30, 1996, a Partner receives a bona fide offer from a Third Party to purchase all (but not less than all) of its Interest and is desirous of accepting such offer, such Partner (the "Selling Partner") shall notify the other Partner of the terms of the offer in writing (hereinafter referred to as a "Sale Notice"). The Sale Notice shall specify the name and address of the Third Party, and all of the terms and conditions of said bona fide offer, and the Sale Notice shall be accompanied by a true and complete copy of any offer letter, agreement and/or any other written information relating to the proposed transfer. In the event that the proposed transfer contemplates any consideration other than cash, then the Selling Partner shall state in the Sale Notice its good faith belief as to the fair market value of the consideration. No such Sale Notice shall be withdrawn (unless such Third Party shall revoke its offer) except with the approval of the Executive Committee.

(b) The Partner receiving the Sale Notice shall have an option for one hundred twenty (120) days from receipt of the Sale Notice to agree to purchase from the Selling Party the Interest proposed to be transferred at the same price (whether in cash or the same non-cash consideration as is offered by the Third Party) and upon the same terms and subject to the conditions contained in the Sale Notice; provided, however, that if the specified consideration is not cash and the Partner receiving the Sale Notice does not agree with the Selling Partner's good faith determination of the fair market value of the consideration, then the Partner receiving the Sale Notice shall require that the fair market value of such non-cash consideration (and the resultant purchase price for the offered Interest) be determined by a mutually agreed upon appraisal firm. In the event an appraisal firm is retained to determine the purchase price for the offered Interest, the Partner receiving the Sale Notice shall have thirty (30) days after the date the opinion of the appraisal firm regarding the value of the Interests is delivered to such Partner to provide the Selling Partner with its written acceptance of such offer, but in no event earlier than 120 days following receipt of the Sale Notice. The costs and expenses of such appraisal firm shall be borne by the Partnership.

(c) The Partner receiving the Sale Notice may exercise the purchase option provided herein by giving written notice to the Selling Partner specifying the date and the location for the closing of the purchase of such Interests. The notice shall be delivered to the Selling Partner at least ten (10) days prior to such closing date. The closing of such sale shall occur as provided in Section 19.3.

(d) In the event the Partner receiving the Sale Notice fails to exercise its option to purchase the Interest, then the Third Party shall have the right for a period of ten (10) days after the expiration of the thirty (30) day option period described in Section 16.2(b) to purchase such Interest from the Selling Partner at the price and upon the terms and conditions contained in the Sale Notice. If the Third Party fails to purchase the Interest within said ten (10) day period, the Interest shall again become subject to the restrictions of this Section 16.

(e) Any Partner which transfers its Interest to any Third Party shall include, as part of the transfer agreement, provisions which require the transferee to accept and agree to be bound by the provisions of this Agreement as if it were a signatory hereof.

16.3. Transfers to Wholly Owned Subsidiaries. Notwithstanding the foregoing provisions, KO Sub shall have the unconditional right to assign and transfer all of its Interest to KO or any direct or indirect wholly owned subsidiary of KO, and CCBCC Sub shall have the unconditional right to assign and transfer all of its Interest to CCBCC or any direct or indirect wholly owned subsidiary of CCBCC. Any Partner which transfers any of its Interest pursuant to this Section 16.3 shall include, as part of the transfer agreement, provisions which require the transferee to accept and agree to be bound by the provisions of this Agreement as if it were a signatory hereof. In addition, upon any such transfer, the transferee shall covenant and agree for the benefit of each of the Partners to reconvey such Interest to its transferor in the event such transferee ceases to be a direct or indirect wholly owned subsidiary of KO or CCBCC, as the case may be. A transfer permitted by this Section 16.3 shall not be subject to the restrictions imposed by Sections 16.1 and 16.2 hereof.

16.4. Pledge of Interests. Notwithstanding Section 16.1(a), a Partner may pledge its Interest to a financial institution to secure loans made to such Partner or its Affiliates so long as the financial institution agrees in writing that such Interest is subject to the terms and conditions of this Agreement, including without limitation, the right of the other Partner to purchase such Interest pursuant to Section 18.2 upon any transfer of ownership of the Interest to the financial institution or a Third party.

Section 17. Deadlock and Buy/Sell.

17.1. Deadlock.

(a) At any time following a Change of Control or a Harrison Change in Control, in the event any material decision cannot be taken because of the inability of the Executive Committee to reach unanimous agreement on such decision at two

consecutive meetings of the Executive Committee (a "Deadlock"), either Partner may decide that additional time for discussions between the members of the Executive Committee will not solve the Deadlock and may thereupon declare a continuing Deadlock by giving written notice to the other Partner ("Notice of Partners' Deadlock"). Within 30 days after receipt of the Notice of Partners' Deadlock, the Chief Executive Officer of KO and the Chief Executive Officer of CCBCC (or such other designees as the parties shall mutually agree on) shall meet in such place as they mutually agree in a good faith effort to reach an accord which will end the Deadlock. If these executive officers are unable to mutually resolve the Deadlock, either Partner may, in good faith, declare by written notice to the other Partner that a final Deadlock exists and that more time and discussion would not likely result in a mutual resolution of the Deadlock ("Notice of Final Deadlock").

17.2. Buy-Sell.

(a) At any time following a Notice of Final Deadlock with respect to a decision which has not been made by the Partners at such time, either Partner (the "Initiating Partner") may notify the other Partner that the Initiating Partner is exercising the buy-sell rights hereunder. Such notice (the "Buy-Sell Notice") shall include the Initiating Partner's determination of the value of all of the Interests in the Partnership (the "Proposed Value").

(b) The Partner receiving the Buy-Sell Notice must elect within 30 days following its receipt of the Buy-Sell Notice to either purchase the Interest of the Initiating Partner or to sell its Interest to the Initiating Partner. If the Partner receiving the Buy-Sell Notice fails to make the election within such 30-day period, such Partner shall be deemed to have elected to sell its Interest to the Initiating Partner. Any such election (or deemed election) shall create a binding agreement between the Partners to transfer the Interest to be sold at a purchase price equal to the Proposed Value multiplied by the percentage interest in the Partnership represented by the Interest to be sold, provided that if the provisions of this Section 17 are applicable solely because of a Harrison Change in Control, then the purchase price for such Interest shall not be less than the Minimum Purchase Price. The closing of the sale shall occur as provided in Section 19.3.

Section 18. Sale Upon Default.

18.1. Defaulting Partner. For purposes of this Section 18, a Partner shall be deemed to be a "Defaulting Partner" if:

(a) such Partner breaches any material term or condition of this Agreement and fails to cure such breach within 30 days after it has received written notice thereof from the

non-breaching Partner, provided that any breach by CCBCC Sub of the representations and warranties in Section 21 hereof shall not result in CCBCC Sub being a Defaulting Partner;

(b) such Partner admits in writing its inability to pay its debts, makes a general assignment for the benefit of creditors, is adjudicated bankrupt or insolvent or consents to the institution of such a proceeding, seeks reorganization or relief of any kind under any law relating to the relief of debtors or consents to such a proceeding, or is subject to a court decree or order which remains in effect for at least 60 days, relating to its bankruptcy, insolvency or relief of debt in any manner;

(c) such Partner voluntarily Transfers its Interest except as permitted in this Agreement;

(d) such Partner is liquidated or dissolved;

(e) in the case of CCBCC Sub, a Change of Control or a Harrison Change in Control has occurred; or

(f) in the case of KO Sub, KO Sub ceases to be a wholly owned subsidiary of KO without the consent of CCBCC.

The occurrence of a Defaulting Event with respect to Ventures or Palmetto shall be deemed a Defaulting Event by both Partners.

18.2. Option to Buy Out Defaulting Partner.

(a) In the event that a Partner becomes a Defaulting Partner, the other Partner or its designee (the "Non-Defaulting Partner") shall have the option to purchase the Defaulting Partner's Interest. In order to determine the option price the Partners shall promptly cause the Appraised Value of the Defaulting Partner's Interest to be determined in accordance with Section 18.3. If the Non-Defaulting Partner elects to exercise its option to purchase the Defaulting Partner's Interest, the Non-Defaulting Partner shall deliver written notice of such exercise (the "Option Exercise Notice") to the Defaulting Partner within 30 days following receipt of the Value Opinion in accordance with Section 18.3. Such Option Exercise Notice shall set forth the date and location of the closing of the purchase of the Defaulting Partner's Interest (which closing shall occur not later than 30 days following receipt of the Option Exercise Notice).

(b) The purchase price for the Defaulting Partner's Interest shall be an amount equal to the Appraised Value of such Partnership Interest, provided that if the provisions of this Section 18 are applicable solely because of a Harrison Change in Control, then the purchase price for such Interest shall not be less than the Minimum Purchase Price. The closing of such sale shall occur as provided in Section 19.3.

(c) If the Non-Defaulting Partner elects not to exercise its right to purchase the Defaulting Partner's Interest pursuant to this Section 18.2, the Non-Defaulting Partner may elect either to cause the Partnership to be liquidated and dissolved in accordance with Section 20 or take no action whatsoever.

(d) The provisions of this Section 18 shall not relieve a Defaulting Partner of any obligation to indemnify the Partnership or the Non-Defaulting Partner for any damages suffered as a result of the failure of the Defaulting Partner to comply with the provisions of this Agreement, and the purchase option provided for hereunder shall not be in lieu of any other right or remedy which the Partnership or the Non-Defaulting Partner may have against the Defaulting Partner at law or in equity.

18.3. Appraised Value. For purposes of this Agreement, the "Appraised Value" of a Partner's Interest shall mean the product of (a) the amount in U.S. dollars that the Partners would receive upon a sale of all of the outstanding Interests of the Partnership in an arm's length transaction between a willing buyer and willing seller, as of the month-end next following the date of giving of the notice under any provision hereof which caused the Appraised Value to be determined times (b) the percentage Interest in the Partnership as to which the Appraised Value is to be determined. Appraised Value shall be mutually agreed upon by the Partners or, if the Partners are unable to agree within 30 days, determined by an investment banking firm of national standing jointly selected by the Partners. If the Partners are unable to mutually agree on an investment banking firm, they shall each choose an investment banking firm and those two firms shall, in good faith, select a third investment banking firm. The investment banking firm so selected shall prepare an appraisal setting forth its determination of the Appraised Value, which determination shall be final and binding on the Partners. The cost of such investment banking firm(s) shall be borne by the Partnership. If the circumstances described in Section 16, 17 or 18 occur, the selling Partner must cooperate fully in selecting investment bankers and shall cooperate fully in their determination of the Appraised Value. If a selling Partner fails to select an investment banker or fails to cooperate with such banker as described herein, in either case, within ten days of receipt of a notice specifying such failure to cooperate from the other Partner, the other Partner shall, in good faith, cooperate with the investment banker already retained under the terms of this provision or, if not yet retained, select an investment banking firm of its sole discretion, to make a determination of Appraised Value, which determination shall be final and binding on the selling Partner. The Partner(s) shall instruct the investment banking firm so retained to deliver its written opinion as to the Appraised Value to the Partners within 30 days following the selection of such banker. In determining Appraised

Value, no discounts for lack of control or lack of marketability shall be applied. The Appraised Value as mutually agreed upon by the Partners or as set forth in the written opinion of the investment banker is referred to herein as the "Value Opinion."

Section 19. Other Purchase Rights.

19.1. Purchase by CCBCC Sub. CCBCC Sub will use its best efforts, subject to the interests of the shareholders of CCBCC, to purchase the entire Interest of KO Sub in the Partnership for the fair market value thereof during the period between the sixth and eighth anniversaries of the date hereof. This Section 19.1 is subject to (a) the ability of CCBCC Sub to obtain financing for the purchase of KO Sub's Interest on terms that are not materially less favorable than any bank financing then available to CCBCC (b) such transaction will not impair CCBCC's public debt rating and (c) CCBCC's reasonable, good faith conclusion that such purchase would provide the shareholders of CCBCC with an
acceptable return given the resulting risk.

19.2. Purchase by KO Sub. If CCBCC Sub fails to purchase KO Sub's Interest pursuant to Section 19.1 on or prior to the eighth anniversary of the date hereof, KO Sub or its designee will have the option, for a period of one year following the eighth anniversary hereof, to request a good faith negotiation with CCBCC Sub to purchase the entire Interest owned by CCBCC Sub, and CCBCC Sub shall thereafter negotiate in good faith with respect to such purchase. Such option may be exercised by the giving of notice from KO Sub to CCBCC Sub at any time prior to the expiration of such one year period.

19.3. Closing. The closing of any transfer of Interests pursuant to Sections 16, 17 or 18 or this Section 19 shall occur at the main offices of the Partnership, on a date specified by the purchasing Partner. At the closing, (a) the purchase price for the selling Partner's Interest shall be paid in immediately available funds and (b) the selling Partner will execute such agreements, instruments and certificates, and shall take all such further actions, as may be reasonably requested by the purchasing Partner in order to consummate the transfer of good title to the selling Partner's Interests to the purchasing Partner or its designee, free and clear of any security interests, liens, claims or encumbrances whatsoever. The purchasing Partner shall be responsible for any sales or transfer tax resulting from any such transfer.

19.4. Tolling of Time. The time for any closing of a purchase of an Interest pursuant to Sections 16, 17, 18 and this Section 19 will be appropriately tolled (a) during the pendency of any periods required or necessary to comply with applicable laws, including, without limitation, the waiting periods required by the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and (b) during the pendency of any litigation which in

the opinion of the purchasing Partner's counsel prevents such Partner from exercising its rights under this Agreement.

Section 20. Term, Termination and Liquidation

20.1. Term. The term of this Agreement shall commence on the date hereof and, unless earlier terminated pursuant to Section 20.2, shall terminate simultaneously with the liquidation of the Partnership.

20.2. Dissolving Events.

The Partnership shall be dissolved (and thereupon liquidated) upon the happening of any of the following events ("Dissolving Events"):

(a) an election of the Executive Committee to terminate the Partnership;

(b) the entry of a final judgment, order or decree of a court of competent jurisdiction adjudicating the Partnership to be bankrupt, and the expiration of the period, if any, allowed by applicable law in which to appeal therefrom;

(c) the end of the Initial Term or any subsequent term following the timely election by a Partner to terminate the Partnership as provided in Section 5; or

(d) the election by a Non-Defaulting Partner to liquidate and dissolve the Partnership pursuant to Section 18.2(c).

20.3. Dissolution.

(a) Upon the occurrence of a Dissolving Event, the Partners shall cause the assets of the Partnership to be distributed to the Partners in equal amounts and shall assume the liabilities of the Partnership (or otherwise cause such liabilities to be satisfied), as may be agreed by the Partners, so that the portion of the Territory originally comprising the Coastal Assets, the Goldsboro Assets and the Wilmington Group Companies (the "KO Portion") shall be returned to KO Sub and that the portion of the Territory originally comprising the CCBCC Contributed Assets and the CCBCC Purchased Assets (the "CCBCC Portion") shall be returned to CCBCC Sub. If the Partners cannot agree on the CCBCC Portion and the KO Portion, then the assets and territories comprising the CCBCC Portion and the KO Portion shall be determined by the Dissolution Banker.

(b) The Partnership shall retain an independent nationally recognized investment banking firm acceptable to the Partners (the "Dissolution Banker") to value the KO Portion and the CCBCC Portion. If the Partners cannot agree on the Dissolution Banker to value the KO Portion and the CCBCC Portion

within 60 days of a Dissolving Event, then either Partner may petition the American Arbitration Association to appoint an arbitrator who shall select a Dissolution Banker to value the CCBCC Portion and the KO Portion.

(c) Within 120 days of appointment, the Dissolution Banker shall prepare a report setting forth the fully liquidated fair market value of the KO Portion and the CCBCC Portion, which shall be final and binding absent manifest error. If the value of the CCBCC Portion as so determined is not equal to the value of the KO Portion, then the Partners shall make appropriate adjustments or contributions to the Partnership or payments to each other so that the value returned to KO Sub and CCBCC Sub is equivalent.

20.4. Procedures on Liquidation.

(a) If the Partners so desire, in lieu of a division as provided in Section 20.3 hereof, the Partners may agree to seek to market by public or private sale all the outstanding Interests of the Partnership and/or the business or assets of the Partnership, as a whole, for the highest price. The acceptance of any offer of any third party in this auction procedure shall first be subject to and conditioned upon the prior approval of the Executive Committee.

(b) If the Partners have been unable to arrange a dissolution under Section 20.3 or a contract of sale satisfactory to both Partners on or prior to the first anniversary of the date of the Dissolving Event, any Partner may petition the American Arbitration Association for the appointment of a liquidator who shall be fully empowered to act for the Partnership and each Partner in order to dispose of and liquidate the Interests or the assets of the Partnership. Each Partner will cooperate fully with such liquidator.

20.5. Distribution of Assets. Any proceeds derived from the sale of the Partnership's assets, together with all Partnership assets which are not sold, shall be applied and distributed in the following manner and in the following order of priority:

(a) To the payment of the debts and liabilities of the Partnership and to the expenses of liquidation in the order of priority as provided by law, and to the establishment of any reserves which the Executive Committee deems necessary for any contingent or unforeseen liabilities or obligations of the Partnership; then to

(b) The repayment of any liabilities or debts, other than Capital Accounts, of the Partnership to any of the Partners; then to

(c) To each Partner in proportion to and to the extent of their respective positive Capital Account balances after the

Capital Accounts of the Partners have been adjusted for the allocation of net profit and net loss under Section 9 and such other adjustments as may be required under Code regulation 1.704-1(b)(2)(iv).

(d) The Partners in proportion to their Interests in the Partnership.

20.6. Date of Dissolution. The Partnership shall terminate and dissolve when all property owned by the Partnership shall have been disposed of in accordance with Sections 20.3 or 20.4, as the case may be. The establishment of any reserves in accordance with the provisions of Section 20.5 above shall not have the effect of extending the term of the Partnership, but any such reserve shall be distributed in the manner provided in such Section upon expiration of the period of such reserve.

20.7. Tax Consequences. Upon a dissolution, liquidation or distribution under this Section 20, the Partners agree to consider the overall tax consequences when choosing the method of unwinding the Partnership.

Section 21. Representations and Warranties; Indemnification.

21.1. Representations and Warranties of CCBCC Sub. CCBCC Sub represents and warrants to KO Sub as follows:

(a) Each of Affiliated and Ventures is a corporation validly existing under the laws of the State of Delaware and has full legal right, power and authority to enter into this Agreement and to perform its obligations hereunder. Fayetteville is a corporation validly existing under the laws of the State of North Carolina and has full legal right, power and authority to enter into this Agreement and to perform its obligations hereunder. Palmetto is a corporation validly existing under the laws of the State of South Carolina and has full legal right, power and authority to enter into this Agreement and to perform its obligations hereunder.

(b) This Agreement has been duly authorized by all necessary corporate action of Affiliated, Fayetteville, Palmetto, Ventures and CCBCC, has been executed by duly authorized representatives of Affiliated, Fayetteville, Palmetto and Ventures and constitutes the legal, valid and binding obligation of Affiliated, Fayetteville, Palmetto and Ventures, enforceable in accordance with its terms.

(c) Except as set forth in Schedule 21.1(c), the execution, delivery and performance of this Agreement by Affiliated, Fayetteville, Palmetto and Ventures does not violate any provisions of

(i) the certificate of incorporation or bylaws of Affiliated, Fayetteville, Palmetto, Ventures or CCBCC,

(ii) any material contract or instrument to which Affiliated, Fayetteville, Palmetto, Ventures or CCBCC is a party or by which it or any of its assets is bound, or

(iii) any law, decree, regulation or order of any governmental authority to which Affiliated, Fayetteville, Palmetto, Ventures or CCBCC or any of their respective assets is subject.

(d) [Intentionally deleted]

(e) Affiliated, Fayetteville and Palmetto each has all right, title and interest in and to the Affiliated Contributed Assets, the Fayetteville Contributed Assets and the Palmetto Contributed Assets, respectively. The CCBCC Contributed Assets are in good condition (ordinary wear and tear excepted) and are not subject to any liens, security interests, taxes, charges, claims, liens or other encumbrances of any nature whatsoever, except for (i) liens for taxes not yet due and payable and (ii) permitted title exceptions reflected on title insurance binders issued to the Partnership (collectively, the "Permitted Liens"). Upon transfer of the CCBCC Contributed Assets to the Partnership, the Partnership will have all right, title and interest in the CCBCC Contributed Assets, free and clear of any liens, security interests, taxes, charges, claims, liens or other encumbrances of any nature whatsoever, except for the Permitted Liens. The CCBCC Contributed Assets and assets leased under the contracts listed in Schedule 21.1(e) hereto represent all the assets used in and necessary to the businesses currently operated using the CCBCC Contributed Assets, other than assets owned by CCBCC which will be used in connection with the future operations of the CCBCC Contributed Assets pursuant to the Management Agreement. The contracts listed on Schedule 21.1(e) are hereby assigned to the Partnership, and the Partners shall cause the Partnership to assume, the rights and obligations under such contracts.

(f) Except as set forth in Schedule 21.1(f): (i) no assignment of the CCBCC Prior Purchase Agreements or any rights thereunder has been made by CCBCC or Sunbelt or any of their Affiliates; (ii) neither CCBCC nor Sunbelt nor any of their Affiliates has done any act or failed to do any act which will restrict CCBCC or Sunbelt or any of their Affiliates in acting under any provision of the CCBCC Prior Purchase Agreements; (iii) CCBCC does not know of any breach or default or any state of facts which would, with the giving of notice or the passage of time or both, constitute a breach or default of any CCBCC Prior Purchase Agreement by CCBCC or Sunbelt or any other party

thereto or which could give rise to any claim under the CCBCC Prior Purchase Agreements; (iv) the CCBCC Prior Purchase Agreements have not been amended, modified or discharged, nor has CCBCC or Sunbelt or any of their Affiliates waived any material right thereunder, other than written waivers which have been disclosed by CCBCC Sub to KO Sub; and (vi) neither CCBCC nor Sunbelt or any of their Affiliates has given any notice of any claim or currently intends to give notice of any claim under any CCBCC Prior Purchase Agreement. CCBCC Sub has provided true and complete copies of all amendments to the CCBCC Prior Purchase Agreements and any correspondence relating to any amendments of, or actual or contemplated claims under, the CCBCC Prior Purchase Agreements.

(g) To the Knowledge of CCBCC, except as set forth on Schedule 21.1(g), all of the representations and warranties of the sellers set forth in the CCBCC Prior Purchase Agreements relating to the CCBCC Contributed Assets were true and accurate as of the respective dates made. To the Knowledge of CCBCC, except as set forth on Schedule 21.1(g) hereto, with respect to those representations and warranties in the CCBCC Prior Purchase Agreements which survive through the date hereof or on the disclosure schedules to the CCBCC Prior Purchase Agreements, all of such representations and warranties are true and accurate in all material respects as of the date hereof.

(h) Except as set forth on Schedule 21.1(h) hereof, since December 19, 1991 (being the date of CCBCC's acquisition of Sunbelt), the businesses conducted with the CCBCC Contributed Assets (the "CCBCC Contributed Business") have been conducted only in the ordinary course, and neither CCBCC has, nor any CCBCC Affiliate has, to the Knowledge of CCBCC, with respect to the CCBCC Contributed Business:

(i) suffered any damage or destruction materially and adversely affecting the CCBCC Contributed Business or the CCBCC Contributed Assets;

(ii) organized any subsidiary, acquired any capital stock or other equity securities of any corporation, or acquired any equity or other ownership interest in any business;

(iii) suffered any material adverse change in its assets, liabilities, financial condition, or relationships with any material suppliers or customers;

(iv) incurred any material liability or obligation (absolute, accrued, contingent or otherwise) not incurred in the ordinary course of business consistent with past practice;

(v) incurred, assumed or guaranteed any obligations or liability for borrowed money, or

exchanged, refunded, or renewed any outstanding indebtedness in such a manner as to reduce the principal amount of such indebtedness or increase the interest rate or balance outstanding, excluding borrowings by CCBCC for general corporate purposes;

(vi) permitted any of its assets to be subjected to any security interest, lien, claim or other encumbrance;

(vii) intentionally waived any material claims or rights;

(viii) sold, transferred or otherwise disposed of any of its assets, except (A) in the ordinary course of business consistent with past practice or (B) as such transactions are reflected in the 1992 year end balance sheet prepared for the CCBCC Contributed Assets;

(ix) entered into any material commitment or transaction, other than in the ordinary course of business;

(x) instituted or been named as a defendant in any litigation or other legal proceeding in which the amount sought as damages exceeded $50,000 or become subject to any order, judgment or consent decree, which is currently pending or remains outstanding;

(xi) violated any applicable local, state or federal law, ordinance, regulation, and/or decree (including, without limitation, any antitrust or environmental laws) or received any notice alleging any violation of any such law, ordinance, regulation and/or decree which could have any material adverse effect on the Acquired Business;

(xii) breached any material contract or become aware of any breach of a material contract by any third party; or

(xiii) agreed in writing, or otherwise, to take any action described in this Section.

(i) The CCBCC Contributed Assets do not manufacture any noncarbonated, ready to serve, naturally or artificially flavored fruit drinks, fruit punches or fruit ades which contain fifty percent (50%) or less fruit juice and are customarily sold under refrigeration to consumers.

(j) The employees currently operating the businesses of the CCBCC Contributed Assets currently receive the same levels of compensation and benefits as are customary for other similarly

situated employees of CCBCC and its Affiliates, taking into account regional variances.

21.2. Representations and Warranties of KO Sub. KO Sub represents and warrants to CCBCC Sub as follows:

(a) KO Sub is a corporation duly organized and validly existing under the laws of the State of Delaware and has full legal right, power and authority to enter into this Agreement and to perform its obligations hereunder.

(b) This Agreement has been duly authorized by all necessary corporate action of KO Sub, has been executed by a duly authorized representative of KO Sub and constitutes the legal, valid and binding obligation of KO Sub, enforceable in accordance with its terms.

(c) The execution, delivery and performance of this Agreement by KO Sub do not violate any provisions of

(i) the certificate of incorporation or bylaws of KO Sub or KO;

(ii) any contract or instrument to which KO Sub or KO is a party or by which it or any of its assets is bound, or

(iii) any law, decree, regulation or order of any governmental authority to which KO Sub or KO or any of their respective assets is subject.

21.3. Indemnification. (a) CCBCC Sub agrees to reimburse, defend, indemnify and hold KO, KO Sub and the Partnership harmless from and against any and all Losses suffered or incurred by KO, KO Sub or the Partnership or any of their directors, officers or Affiliates arising out of or resulting from, or with respect to:

(i) any breach or inaccuracy of any representation or warranty of CCBCC Sub, or any breach or noncompliance with any covenant or agreement of Affiliated, Fayetteville, Palmetto or Ventures contained in this Agreement;

(ii) except for the liabilities listed on Schedule 21.3(a) hereto which are hereby assigned to and assumed by the Partnership, any liability or obligation of any kind, whether accrued, contingent or otherwise, arising out of, resulting from, or relating to the ownership of the CCBCC Contributed Assets or the operation of the CCBCC Contributed Business prior to the date hereof; and

(iii) any breach or inaccuracy of any representation or warranty of the sellers of any part of the CCBCC Contributed Assets pursuant to any CCBCC Prior

Purchase Agreement, regardless of whether CCBCC or CCBCC Sub has any knowledge of such breach or inaccuracy.

(b) KO Sub agrees to reimburse, defend, indemnify and hold CCBCC, CCBCC Sub and the Partnership harmless from and against any Losses incurred by CCBCC, CCBCC Sub or the Partnership and any of their directors, officers or Affiliates arising out of or resulting from, or with respect to, any breach or inaccuracy of any representation or warranty of KO Sub, or any breach or noncompliance with any covenant or agreement of KO Sub contained in this Agreement.

(c) KO Sub and CCBCC Sub agree to cause the Partnership to reimburse, defend, indemnify and hold any seller of assets or stock under the Purchase Agreements harmless from and against any Losses for which such seller is indemnified under the applicable Purchase Agreement.

21.4 Limitations on Indemnification.

(a) None of KO, KO Sub or the Partnership shall make any claim for indemnification against CCBCC Sub with respect to New Losses unless the aggregate amount for all claims with respect to New Losses would exceed, in the aggregate, one percent (1%) of the Final Purchase Price for the CCBCC Contributed Assets, and then only to the extent of such excess. In calculating the amount of any claim hereunder, the amount of Loss for such claim shall be calculated after giving effect to the reserves or accruals (if any) established on the Closing Balance Sheet (if any) for the CCBCC Contributed Assets.

(b) As used in this Agreement, a "New Loss" shall mean any Loss for which the Partnership is indemnified by CCBCC Sub under Section 21.3(a)(i) or (ii), but shall exclude any Loss for which the Partnership is indemnified under Section 21.3(a)(iii).

(c) The representations and warranties herein with respect to New Losses shall survive for a period of one year following the Closing Date.

(d) With respect to Losses other than New Losses, the liability of CCBCC, CCBCC Sub, and any Affiliate of CCBCC under this Agreement to the Partnership shall not exceed for any particular claim or in the aggregate the respective amounts (if any) actually received by CCBCC and/or Sunbelt and their Affiliates pursuant to any indemnification claim under the CCBCC Prior Purchase Agreements. CCBCC Sub shall cause each of CCBCC and each of its Affiliates to use its good faith efforts to enforce its rights of indemnification under the CCBCC Prior Purchase Agreements.

21.5 Mechanics of Indemnification.

(a) In the event of any Loss, the Partners shall evaluate (in cooperation with Sunbelt and CCBCC Sub) whether indemnification with respect to such Loss is available under the CCBCC Prior Purchase Agreements. If the Partnership determines that such indemnification may be available, the Partners shall cause the Partnership to notify CCBCC and Sunbelt. The Partners shall use good faith efforts to cause the Partnership to notify CCBCC and Sunbelt of any such Loss within the period for which an indemnification claim can be made under the appropriate CCBCC Prior Purchase Agreement. Upon the receipt of such notice, CCBCC or Sunbelt shall promptly notify the sellers under the applicable CCBCC Prior Purchase Agreement of the Loss or claim and shall make a claim of indemnification with respect to such Loss or claim against the sellers under such CCBCC Prior Purchase Agreement. Upon the request of either Partner, CCBCC will negotiate with the sellers under such CCBCC Prior Purchase Agreement for such indemnification, provided that both Partners shall have the right to participate fully in such negotiations and provided further that CCBCC shall not settle the claim without the approval of all the members of the Executive Committee, which shall not be unreasonably delayed or withheld. If it is necessary or appropriate, in the reasonable judgment of the Executive Committee, for CCBCC or Sunbelt to bring an action against the sellers under such CCBCC Prior Purchase Agreement to enforce the right to indemnification contained in such CCBCC Prior Purchase Agreement, then CCBCC or Sunbelt, as the case may be, shall institute such action as soon as practicable following any request of the Executive Committee with counsel selected by CCBCC and approved by the Executive Committee. Such counsel shall operate pursuant to the joint instructions of CCBCC and the Executive Committee. The Partners will cause the Partnership to reimburse, defend, indemnify and hold CCBCC and Sunbelt harmless from and against any Losses or claims suffered by CCBCC or Sunbelt as a result of the institution of such action, including the cost associated with any counterclaim.

(b) Each Partner shall be notified of, and have the right to participate in, any such action instituted by CCBCC or Sunbelt. The Partners will cause the Partnership to pay the costs of CCBCC and Sunbelt in connection with any such action promptly following receipt of invoices and other reasonable documentation of such costs.

21.6 Method of Asserting Claims. All claims by the Partnership against CCBCC, CCBCC Sub or Sunbelt for Losses shall be asserted and resolved as follows:

(a) if the Partnership has a claim for Loss that does not involve a claim or demand being asserted against or sought to be collected from the Partnership by a third party, the Partnership shall promptly notify CCBCC Sub of such claim or demand, specifying the nature of such claim or demand and the

amount or the estimated amount thereof (which estimate shall not be conclusive of the final amount of such claim and demand) to the extent then feasible (the "Claim Notice"). If CCBCC Sub does not notify the Partnership within 60 days from the receipt of the Claim Notice that it disputes such claim, the amount of such claim shall be conclusively deemed a Loss; and

(b) nothing herein shall be deemed to prevent the Partnership from making a claim for an indemnifiable Loss hereunder for potential or contingent claims or demands provided the Claim Notice sets forth the specific basis for any such potential or contingent claim or demand to the extent then feasible and the Partnership has reasonable grounds to believe that such claim or demand may be made.

21.7 Conditions of Indemnification with Respect to Third Party Claims. The obligations and liabilities of CCBCC Sub with respect to Third Party claims against the Partnership which are subject to indemnification hereunder shall be subject to the following terms and conditions:

(a) The Partnership will give CCBCC Sub prompt notice of such claim, and CCBCC Sub, or an Affiliate of CCBCC, as the case may be, will assume the defense thereof by representatives chosen by it, provided, however, that the Partnership or any Partner shall be entitled to participate in the defense of such claim and to employ counsel at its own expense to assist in the handling of such claim;

(b) if CCBCC Sub, within a reasonable time after notice of any such claim, fails to assume the defense thereof, the Partnership shall (upon further notice to CCBCC Sub) have the right to undertake the defense, compromise or settlement or such claim on behalf of, for the account and risk of, and at the expense of CCBCC Sub, subject to the right of CCBCC Sub to assume the defense of such claim at any time prior to the settlement, compromise or final determination thereof; and

(c) The Partnership shall provide CCBCC Sub with such assistance (without charge) as may reasonably be requested by CCBCC Sub or such Affiliate of CCBCC in connection with any indemnification or defense provided for herein, including, with limitation, providing the indemnifying party with such information, documents and records and reasonable access to the services of and consultations with such personnel of the Partnership as the indemnifying party shall deem necessary (provided that such access shall not unreasonably interfere with the performance of the duties performed by or responsibilities of such personnel).

Section 22. Confidentiality.

22.1. Confidentiality. The Partners acknowledge that each of them may be required to disclose Confidential Information to

governmental agencies or authorities by law, upon the advice of counsel, and each shall endeavor to limit disclosure to that purpose. Each Partner will give the other prior written notice of any disclosure pursuant to this paragraph, which notice shall specify the substance of any such disclosure.

22.2 Identification. Each party hereto will take appropriate steps to enable the other party hereto to identify the information that should be protected as Confidential Information. Accordingly, each party shall legend or otherwise designate as proprietary any material furnished to the other party if any Confidential Information is included. In addition, any information involving Confidential Information that is imparted orally shall be identified as proprietary.

22.3 Acknowledgment of Confidential Information. Each party receiving Confidential Information (the "Receiving Party") recognizes and acknowledges (a) that Confidential Information of the other party may be commercially valuable proprietary products of such party, the design and development of which may have involved the expenditure of substantial amounts of money and the use of skilled development experts over a long period of time and which afford such party a commercial advantage over its competitors; (b) that the loss of this competitive advantage due to unauthorized disclosure or use of Confidential Information of such party may cause great injury and harm to such party; and (c) that the restrictions imposed upon the parties under this Agreement are necessary to protect the secrecy of Confidential Information and to prevent the occurrence of such injury and harm.

22.4 Nondisclosure. Each Receiving Party agrees that it will not, without the prior written consent of the party from whom such Confidential Information was obtained (the "Disclosing Party"), disclose, divulge or permit any unauthorized person to obtain any Confidential Information disclosed by the Disclosing Party (whether or not such Confidential Information is in written or tangible form) for as long as the pertinent information or data remain Confidential Information. The Receiving Party hereby agrees to indemnify and hold harmless the Disclosing Party from and against any and all damage, loss, liability and expense (including, without limitation, reasonable expenses of investigation and reasonable attorneys' fees and expenses) arising from any such unauthorized disclosure by the Receiving Party or its personnel. The Receiving Party agrees that it will use any Confidential Information disclosed by the Disclosing Party hereunder (whether or not such Confidential Information is in written or tangible form) only for purposes of the business of the Partnership as contemplated by the Partnership Agreement, for as long as the pertinent information or data remain Confidential Information. The Receiving Party hereby agrees to indemnify, defend and hold harmless the Disclosing Party from and against any Loss arising from any such unauthorized disclosure by the Receiving Party or its personnel.

22.5 Security. To protect the Confidential Information of the parties, each party shall adopt basic security measures of the kind commonly observed in industries in the United States of America that rely extensively on proprietary information. Security measures, to the extent appropriate, shall include physical security measures, restrictions on access by unauthorized personnel, use of confidentiality agreements with personnel, legending, systematic segregation, and appropriate record retention systems.

22.6 Competitively Sensitive Information. Notwithstanding the foregoing, in providing information hereunder, each party hereto will take care, and will ensure that its respective representatives take care, to avoid the overbroad disclosure of competitively sensitive financial, operating or similar data, if any, as to which disclosure would have adverse consequences under applicable laws, including federal and state antitrust laws. Appropriate procedures will be followed by the Partnership and the Partners to limit the disclosure of competitively sensitive data, if any.

22.7. Obligations of Partnership. The Partners agree that the provisions of this Section 22 shall apply to the Partnership and agree to cause the Partnership to comply with the provisions of this Section 22.

Section 23. Indemnification; Contribution.

23.1. Limitation on Liability of Partners. Neither a Partner nor any shareholder, officer, director, employee, agent or affiliate of such Partner shall be liable or accountable in damages or otherwise to the Partnership or to any other person for any error in judgment or any mistake of fact or law or for anything that such Partner, shareholder, officer, director, employee, agent or affiliate may do or refrain from doing hereafter, whether in its capacity as a Partner, as a member of the Executive Committee or the Finance Committee or any subcommittee thereof, as an officer of the Partnership or otherwise, for and on behalf of the Partnership and in furtherance of the Partnership's business, except in the case of its or his willful misconduct or bad faith in performing or failing to perform its or his duties hereunder.

23.2. Indemnification. To the fullest extent permitted by law, the Partnership shall indemnify each Partner and its shareholders, officers, directors, employees, agents and affiliates from and against any and all Losses that may be imposed upon, incurred by, or asserted against such Partner, shareholder, officer, director, employee, agent or affiliate in any way relating to or arising out of any action or inaction on the part of the Partnership or such Partner, shareholder, officer, director, employee, agent or affiliate, whether in its or his capacity as a Partner, as a member of the Executive

Committee or the Finance Committee or any subcommittee thereof, as an officer of the Partnership or otherwise, for and on behalf of the Partnership and in furtherance of the Partnership's business; provided, however, that such Partner, shareholder, officer, director, employee, agent or affiliate reasonably believed that its or his action or omission was in the best interests of the Partnership and, in addition, with respect to any criminal action or proceeding, had no reasonable cause to believe that its or his conduct was unlawful.

23.3. Contribution. If any Partner is required to pay any liability or obligation of the Partnership as a result of its status as a general partner of the Partnership, the other Partner shall pay to such Partner upon demand an amount equal to the other Partner's pro rata share of such liability or obligation based on the other Partner's percentage Interest in the Partnership, unless such liability or obligation was caused by the paying Partner acting in breach of its obligations hereunder.

Section 24. Dispute Resolution.

24.1. Attempts to Resolve. All disputes and differences which may arise out of or in connection with or with respect to this Agreement will be settled as far as possible by means of negotiations between the members of the Executive Committee. Any such dispute which cannot be resolved by the Executive Committee after two meetings of the Executive Committee may be referred by any member of the Executive Committee to KO's Chief Executive Officer and CCBCC's Chief Executive Officer for resolution. If said senior executive officers of the Partners are unable to resolve such matter within sixty (60) days of such referral, then either party may submit the dispute to arbitration in accordance with Section 24.2 of this Agreement for a binding resolution thereof.

24.2. Arbitration. Except as provided in Section 24.5 hereof, any dispute, controversy or claim arising out of or relating to this Agreement or the breach, termination or validity thereof which cannot be resolved by the parties pursuant to Section 24.1 hereof shall be settled by arbitration in accordance with the Arbitration Rules of the American Arbitration Association in effect on the date of this Agreement (the "Rules") as modified in this Article. The arbitration shall be held in Atlanta, Georgia.

There shall be three arbitrators of whom each party shall select one within 15 days following respondent's receipt of claimant's notice of arbitration and statement of claim. The two party-appointed arbitrators shall select a third arbitrator to serve as presiding arbitrator within 15 days of the appointment of the second arbitrator; provided, however, that in no event shall such arbitrators be residents of or maintain a place of business in the Atlanta, Georgia, Charlotte, North

Carolina or Chattanooga, Tennessee Standard Metropolitan Statistical Areas. The appointing authority shall be the Atlanta Office of the American Arbitration Association.

24.3 Claims and Judgment. Within 20 days of the respondent's receipt of the claimant's notice of arbitration and statement of claim, the respondent shall serve the claimant with its statement of defense and any counterclaims. Within 20 days of claimant's receipt of the respondent's statement of defense and counterclaims, the claimant shall serve its statement of defense to any counterclaims or set-offs asserted by the respondent. The tribunal shall permit and facilitate such prehearing discovery and exchange of documents and information to which the parties in writing agree or which it determines is relevant to the dispute between the parties as is appropriate taking into account the needs of the parties and the desirability of making discovery expeditious and cost-effective. All discovery shall be completed within 45 days from the date on which the respondent communicates its statement of defense and counterclaims, if any, to the claimant. The hearing shall be held no later than 90 days following the selection of the presiding arbitrator. Any arbitration award shall be rendered in U.S. dollars, with appropriate interest as determined by the tribunal. Judgment on any award shall be entered in any court having jurisdiction thereof.

24.4. Submission to Jurisdiction. For purposes of disputes arising under this Agreement, the parties hereto submit themselves to the jurisdiction of the state and federal courts located in Atlanta, Georgia or Charlotte, North Carolina with respect to the enforcement of any arbitration award, provided however, that nothing contained herein shall be deemed a waiver by either party of any right it may have to (i) remove a cause of action brought in state court to a federal court or (ii) petition a court for a change of venue to or from Atlanta, Georgia or Charlotte, North Carolina. Each of the parties hereby consents to the service of process by registered mail at its address set forth below and agrees that its submission to jurisdiction and its consent to service of process by mail is made for the express benefit of the other party. The arbitration shall be governed by the Federal Arbitration Act, 9 U.S.C. §§ 1-16, 201-208.

24.5. Right to Additional Remedies. Notwithstanding anything to the contrary in this Article, in the event any intellectual property (including Confidential Information) is used in violation of the terms of this Agreement, each party shall be entitled, in addition to the remedy of arbitration set forth herein, to apply immediately to any court of competent jurisdiction for immediate injunctive relief. Each party hereby submits itself to the jurisdiction of the state and federal courts located in Atlanta, Georgia for any such relief or for the enforcement of any arbitration award against such party.

Section 25. Miscellaneous.

25.1. Further Assurances. Each Partner and the Partnership will execute and deliver all such other and additional instruments and documents and do all such other acts and things as may be necessary to more fully effectuate this Agreement and to carry on the business of the Partnership.

25.2. Notices. Any notice, request, instruction or other document to be given hereunder by any party hereto to any other Person shall be in writing and delivered personally or by mail or any express mail service to the addresses set forth below.

(a) If to KO Sub:

The Coca-Cola Company
One Coca-Cola Plaza
Atlanta, Georgia 30313
Attention: Chief Financial Officer
Telecopy No.: (404) 676-6275

with a copy to:

The Coca-Cola Company
One Coca-Cola Plaza
Atlanta, Georgia 30313
Attention: General Counsel
Telecopy No.: (404) 676-6209

(b) If to Affiliated, Fayetteville, Palmetto or Ventures:

Coca-Cola Bottling Co. Consolidated
1900 Rexford Road
Charlotte, North Carolina 28211
Attention: Chief Financial Officer
Telecopy No.: (704) 551-4451

with a copy to:

Witt, Gaither & Whitaker
1100 American National Bank Building
Chattanooga, Tennessee 37402
Attention: Ralph M. Killebrew, Jr., Esq.
Telecopy No.: (615) 266-4138

or to such other address or number for a party as shall be specified by like notice. The parties shall use reasonable efforts to cause all notices to also be sent by telecopy transmission to the telecopy numbers set forth above or such other numbers as shall be given by notice to the other parties hereto. Any notice which is delivered personally in the manner provided herein shall be deemed to have been duly given to the party to

whom it is directed upon actual receipt by such party or its agent. Any notice which is addressed and mailed in the manner herein provided shall be conclusively presumed to have been duly given to the party to which it is addressed at the close business, local time of the recipient, on the fourth Business Day after the day it is so placed in the mail or, if earlier, the time of actual receipt.

25.3. Captions. The captions and section numbers appearing in this Agreement are inserted only as a matter of convenience and in no way define, limit, construe or otherwise describe the scope or intent of the sections of this Agreement.

25.4. Bindinq Effect; Assignment. This Agreement shall inure to the benefit of and be binding upon the Partners and their successors and permitted assigns. Except as provided in Section 16, no Partner shall assign or transfer any right or obligation hereunder whether by operation of law or otherwise without the prior written consent of the other Partners. Any such attempted assignment or transfer in violation of this Section 25.4 shall be void and without legal effect. Notwithstanding the foregoing, KO Sub shall have the right to assign all or any of its rights and obligations hereunder to any wholly owned subsidiary of KO, and CCBCC Sub shall have the right to assign all or any of its rights and obligations hereunder to any wholly owned subsidiary of CCBCC, in each case as provided in Section 16.3.

25.5 Entire Agreement, No License, Amendments.

(a) This Agreement, together with the Exhibits hereto and the DAA Agreement, constitutes the entire understanding of the Partners with respect to the subject matter hereof and supersedes all prior negotiations and understandings between them, whether written or oral; provided, however, that nothing contained in this Agreement affects, supersedes or amends the Bottling Agreements with KO or any other agreement with KO executed or delivered in connection herewith.

(b) Nothing contained herein shall be deemed or construed to create an express or implied grant or right of license by KO in favor of the Partnership or CCBCC.

(c) No amendment to this Agreement shall be effective unless it is in writing and executed by the Partners.

25.6. Severability. If any one or more provisions of this Agreement shall be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired; provided, however, that in such case the Partners agree to use their best efforts to achieve the purpose of the invalid provision by a new legally valid provision.

25.7. No Waiver. No failure or delay on the part of any Partner in the exercise of any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or of any other right. All rights and remedies under this Agreement are cumulative to, and not exclusive of, any rights or remedies otherwise available.

25.8. Necessary Measures. The Partners shall in a timely manner and as required from time to time take all such actions as may be necessary or appropriate to cause the Partnership to implement the transactions contemplated by this Agreement and to ensure that the Partnership takes all such actions as may be necessary to give full effect to the provisions of this Agreement, to cause the Partnership to comply with applicable law, and to abstain from taking any actions which would contravene the intent of the provisions of this Agreement.

25.9. Counterparts. This Agreement may be executed in counterparts.

25.10. Waiver of Partition. The Partners hereby irrevocably waive during the term of this Agreement any right to maintain any action for partition with respect to any property now or hereafter subject to this Agreement.

25.11. Governinq Law; Construction. This Agreement shall be construed in accordance with and governed by the laws of, the State of Delaware, without giving effect to the principles of conflicts of law thereof. No provision of this Agreement or any related document shall be construed against or interpreted to the disadvantage of any party hereto by any court or any governmental or judicial authority by reason of such party's having or being deemed to have structured or drafted such provision.

25.12. Public Announcements. The Partners agree that they will not, and will cause the Partnership not to, make any public announcement about the transactions contemplated by this Agreement unless and until both parties agree to the content and manner of dissemination of such public announcement. If counsel for either party advises such party that disclosure is required under applicable securities laws or rules of any stock exchange or by any court with the required jurisdiction, then such other party shall promptly notify the other in order to permit the other to obtain an appropriate protective order or to otherwise limit disclosure. Any disclosure made pursuant to the preceding sentence shall be limited to the specific disclosure required by applicable laws and rules. Any party making disclosure hereunder shall also provide a copy of such disclosure to the other party.

25.13. Third Party Beneficiaries. No provision of this Agreement shall be construed to create any rights or benefits in any person, other than the Partners, and their respective successors and assigns, except as provided in Section 21 hereof.

IN WITNESS WHEREOF, the parties hereto have executed this Partnership Agreement as of the date and year first written above.

CAROLINA COCA-COLA BOTTLING INVESTMENTS, INC.

By: /s/ TIMOTHY J. DOYLE

Timothy J. Doyle, Vice President

COCA-COLA VENTURES, INC.

By: /s/ DAVID V. SINGER

David V. Singer, Vice President

COCA-COLA BOTTLING CO. AFFILIATED, INC.

By: /s/ DAVID V. SINGER

David V. Singer, Vice President

FAYETTEVILLE COCA-COLA BOTTLING COMPANY

By: /s/ DAVID V. SINGER

David V. Singer, Vice President

PALMETTO BOTTLING COMPANY

By: /s/ DAVID V. SINGER

David V. Singer, Vice President

SCHEDULES AND EXHIBITS

NOT FILED WITH THIS REPORT

Exhibit 11.1(d)	- Executive Committee Actions
Exhibit 11.5(a)	- 1993 Annual Business Plan
Schedule 7.1(b)-1	- Palmetto Contributed Assets
Schedule 7.1(b)-2	- Affiliated Contributed Assets
Schedule 7.1(b)-3	- Fayetteville Contributed Assets
Schedule 21.1(c)	- Violations of Contracts, etc.
Schedule 21.1(e)	- Assigned Contracts
Schedule 21.1(f)	- Actions under CCBCC Prior Purchase Agreements
Schedule 21.1(g)	- Bringdown of CCBCC Prior Purchase Agreements
Schedule 21.1(h)	- Actions Since December 19, 1991
Schedule 21.3(a)	- Assumed Liabilities

Exhibit 10.8

MANAGEMENT AGREEMENT

This Management Agreement (**"Agreement"**) made and entered into as of the 2nd day of July, 1993, by and among Coca-Cola Bottling Co. Consolidated, a Delaware corporation (**"Manager"**); and Carolina Coca-Cola Bottling Partnership, a Delaware general partnership (**"CCCB Partnership"**); CCBCC of Wilmington, Inc., a Delaware corporation wholly owned by CCCB Partnership **("Wilmington"**) (CCCB Partnership and Wilmington are hereby sometimes jointly and severally referred to as the **"Partnership"**); Carolina Coca-Cola Bottling Investments, Inc., a Delaware corporation and wholly owned subsidiary of The Coca-Cola Company (**"KO Sub"**); Coca-Cola Ventures, Inc., a Delaware corporation and wholly owned subsidiary of Manager ("Ventures") and Palmetto Bottling Company, a South Carolina corporation (**"Palmetto"**) and wholly owned subsidiary of Manager (KO Sub, Ventures and Palmetto are herein collectively referred to as **"Partners"** and sometimes referred to individually **as "Partner").**

W I T N E S S E T H:

NOW, THEREFORE, in consideration of the mutual promises, obligations and agreements contained herein, the parties hereto, intending to be legally bound, do hereby agree as follows:

Section 1. Definitions.

1.01 ***Defined Terms.*** Except as otherwise provided in this Agreement, defined terms shall have the meanings set forth in the DAA Agreement. "DAA Agreement" shall mean the Definition and Adjustment Agreement of even date herewith among The Coca-Cola Company ("KO"), Manager, KO Sub, Ventures, Sunbelt, Coastal, Eastern, Carolina Holding and certain other Affiliates of KO and Manager.

1.02 ***Other Terms.*** The following terms shall have the meanings set forth in the Section of this Agreement indicated below:

Defined term	Section
Agreement	Preamble
CCCB Partnership	Preamble
Claimant	Section 9.03(a)
Claim	Section 9.02
CPI	Section 5.01
Disclosing Party	Section 8.04
Due to/Due from Account	Section 5.03(e)
Environmental Manager	Section 3.01(c)(4)
Environmental Laws	Section 3.01(c)(4)(i)
Equivalent Case	Section 5.01
Expenses	Section 5.02
FICA	Section 3.02

FUTA	Section 3.02
Indemnitee	Section 9.02
KO	Section 1.01
KO Sub	Preamble
Manager	Preamble
Management Fee	Section 5.01
Notified Party	Section 9.03(a)
Partner(s)	Preamble
Partnership	Preamble
Receiving Party	Section 8.04
Revolver	Section 5.03(d)
Rules	Section 9.02
Sales Branch Employee(s)	Section 3.01(c)(2)
Wilmington	Preamble

Section 2. Appointment of Manager.

2.01 ***Appointment of and Acceptance by Manager.*** The Partnership hereby appoints and retains Manager as the exclusive manager of the Business effective as of the Closing Date and authorizes Manager to supervise, direct and control, pursuant to the direction and control of the Executive Committee, the day-to-day operation of the Business for the term of this Agreement. Manager shall have the right to enter into contracts in the ordinary course of business and thereby bind the Partnership; provided that such contracts (i) relate to and are necessary for the performance by Manager of its services hereunder and (ii) do not relate to matters set forth in Schedule 11.1(d) of the Partnership Agreement with respect to which the Executive Committee has not otherwise expressly granted Manager the authority to act. Manager hereby accepts such appointment and agrees to use its best efforts in the performance of its duties in accordance with the terms and conditions hereinafter set forth. In providing the services described herein, Manager covenants and agrees to use its best efforts to provide and employ a sufficient number of personnel with adequate training and experience to perform such duties competently and in a businesslike manner in such a way as to cause the operations of the Partnership to be carried on efficiently and in the best interests of the Partnership. In providing such services, Manager shall be under the direction and control of the Executive Committee as to the policies and goals of the Partnership and as to all significant management decisions not otherwise delegated to Manager hereunder.

2.02 ***Non-exclusive Service.*** It is understood and agreed that nothing in this Agreement shall confer upon the Partnership an exclusive right to Manager's service. Manager may contract with others for the provision of expertise and services outside the Territory similar to those to be provided to the Partnership as contemplated herein.

Section 3. Services and Responsibilities of Manager.

3.01 ***Primary Services and Responsibilities.*** Within the scope of the authority granted to it under this Agreement and subject to any limitations provided herein, Manager will undertake as manager to support the Partnership in meeting the operating requirements of its license(s), as well as all other operating standards and the achievement of the Partnership's financial objectives. Without limiting the foregoing, Manager will act as a manager of the Partnership under the Partnership Agreement. Manager acknowledges that it has received a true and complete copy of the Partnership Agreement and understands its obligations as Manager thereunder. Subject to any provisions to the contrary set forth in the Partnership Agreement, Manager is hereby authorized to and shall provide the following services or cause the following services to be performed under its supervision:

(a) *Business/Finance.*

(1) Manager will provide accounting, tax, treasury and internal auditing services in connection with the financial management of the Partnership's business including the services of Manager set forth in Section 13 of the Partnership Agreement. As contemplated by Section 11.5 of the Partnership Agreement, Manager will develop annual projections of volume, operating revenues, required capital expenditures, operating expenses and cash flow and recommend and present such projections to the Finance Committee for its consideration as the basis for the Annual Business Plan no later than sixty (60) days prior to the beginning of the Partnership's fiscal year that is the subject of such projections. The Annual Business Plan for the Partnership's 1993 fiscal year is attached to the Partnership Agreement as Exhibit 11.5(a). The Partnership shall deliver a copy of each Annual Business Plan as soon as practicable following adoption thereof by the Executive Committee.

(2) Manager will provide necessary treasury management services for the Partnership including the arrangement and administration of financings (subject to Executive Committee approval) and bank transactions and cash management services including receipt of and responsibility for all income realized by the Partnership and disbursement of funds for satisfaction of the debts, obligations and expenses of the Partnership.

(3) Manager will develop and implement a comprehensive program of accounting systems and procedures and provide the following functions or prepare the following reports:

(i) Accounts Receivable, Credit and Collections including credit approval, billing, collection and cash application.

(ii) Accounts Payable functions including check writing and accounting for paid expense and capital items.

(iii) General accounting functions including maintenance of general ledger and monthly financial reporting to the Executive Committee.

(iv) Fixed asset record maintenance and accounting.

(v) Monthly reports to the Executive Committee (i) comparing actual operating and capital expenditures to those budgeted and set forth in the Annual Business Plan, (ii) reflecting Expenses billed to the Partnership and (iii) detailing significant management actions taken by Manager.

(4) Manager shall handle the federal, state and local tax reporting and filing as well as the implementation of tax planning and strategies designed to minimize ongoing federal, state and local taxes and user fees. Manager will also handle all tax audits and maintain all Department of Transportation files. Manager will consult with KO and representatives of KO Sub in connection with the handling of federal income tax reporting and filing, will notify KO and provide a copy of federal income tax returns to KO prior to the filing of such returns and will make its work papers and other tax reports available to KO and KO Sub upon reasonable request therefor as they become available.

(5) Manager will develop an internal audit program establishing adequate procedures necessary to provide accurate internal auditing services.

(b) *Marketing and Sales*.

(1) Manager will have overall responsibility to develop a marketing plan and implement the distribution strategy included in or otherwise contemplated by the Annual Business Plan. In particular, Manager will coordinate marketing activities, programs and funding with the Partnership's licensors, handle relationships with major customers crossing territorial boundaries, and develop overall trade relationship strategies (CMAs, etc.). Manager shall perform media purchasing through its in-house advertising agency (Case Advertising) under standard terms, and set advertising budgets subject to the Annual Business Plan.

(2) Manager will provide regional sales management direction including the establishment of policies and procedures, selection of price, product and package, not materially inconsistent with the Annual Business Plan, and recruiting and training of sales personnel and coordinate overall cold drink programs.

(c) *Operations.* The major operational responsibilities of Manager shall be in the areas of Purchasing and Production Management, Human Resource Services, Fleet and Facility Administration Services, Environmental Compliance, Data Processing, Corporate Manufacturing Management and Risk Management as follows:

(1) *Purchasing and Production Management.* Manager will select and negotiate with vendors and purchase or, if in the best interest of the Partnership, lease all supplies and capital equipment from such vendors on a basis similar to that which is available to Manager with respect to its sales branches. Subject to the authorization of the Partnership's licensors, Manager will supply, or otherwise obtain for the Partnership soft drink product, (i) with respect to product produced by Manager, at Manager's fully loaded, standard cost as determined in accordance with Exhibit A, to be adjusted at the end of each fiscal quarter to actual fully loaded cost provided that the Partnership has received prior written notice of any such adjustment and (ii) with respect to product purchased by Manager, on behalf of the Partnership from a third party, at Manager's actual cost plus transportation cost consistent with Manager's transportation costs incurred with respect to other sales branches standard practices. In each case, actual transportation costs shall be added to product delivered to the Partnership's warehouses.

(2) *Human Resources.* Manager shall provide overall pay and benefit administration for employees of the Partnership (if any), provide administrative in-house training and develop and implement personnel policies (if applicable) and comprehensive pay, benefits and incentive programs and packages for all employees. Any necessary labor contract negotiations will be performed by Manager, and Manager will handle the administration of any labor contract (including grievance procedures and arbitration) and any labor relations disputes or other labor matters. Manager will have the authority and responsibility to appoint legal counsel and to enter into, amend or terminate any employment agreements and consulting and agency agreements relating to the Partnership. Manager will supplement the Partnership with all additional personnel necessary to operate the Business at the Sales Branch level (**"Sales Branch Employees(s)"**). In connection therewith, Manager shall utilize its employees or employees of a wholly owned subsidiary of Manager which have adequate training and experience to perform their duties competently and in a businesslike manner. Manager shall have the right to substitute one of its employees for a Sales Branch Employee whenever Manager deems such substitution appropriate. Each Sales Branch Employee and Partnership employee shall be subject to all of Manager's applicable employment policies and practices (unless otherwise

restricted by union contracts), and the Partnership shall not have the right to subject any Sales Branch Employees or Partnership employees to any additional employment policies or practices or other work related rules or regulations (except rules and regulations reasonably related to the health and safety of such employees or required under applicable law) absent Manager's express consent to such action. Manager shall provide substantially the same job-related education and training to Sales Branch Employees and Partnership employees as Manager provides to its other Employees who perform the same or related tasks. Manager shall compensate Sales Branch Employees in accordance with Manager's standard compensation policies and practices for employees who perform the same or related tasks subject to regional pay differences. Sales Branch Employees shall be provided with employee benefits no more favorable as a whole than those provided to Manager's other employees performing the same or related tasks in addition to workers' compensation, unemployment compensation and all other benefits which an employer is required to provide for its employees under applicable law. Manager will adopt and enforce at the Partnership Manager's Code of Business Conduct.

(3) *Fleet and Facility Administration*. Manager will provide overall administration of fleet activities including assessment of required fleet expansion or replacement, acquisition of required equipment and direction of preventative maintenance programs. Manager will provide ongoing consulting services to assist in efficient route structure using computer models and provide training and consulting services for warehouse layout and management.

(4) *Environmental Compliance*. Manager shall provide environmental management services, assigning the administration of those systems to an environmental compliance manager on its staff (**"Environmental Manager"**) and shall assume the following responsibilities:

(i) It is the responsibility of Manager to assure that all Partnership operations are in compliance with, or exceed, the requirements of all applicable environmental laws, regulations, statutes, ordinances and permit conditions (**"Environmental Laws"**), and that Partnership operations are conducted to minimize the risk of liability arising under any Environmental Law. In fulfilling that responsibility, Manager shall provide for an Environmental Manager, who shall, in consultation with Manager, establish environmental management systems, encompassing all of the Partnership's operations and employees, designed to assure such compliance and to avoid liability for noncompliance. The official duties of the Environmental Manager shall include, without limitation, (A) assuring proper

operation of established environmental management systems; (B) design, recommendation and implementation of new environmental management systems; (C) detection of potential environmental compliance exceptions; and (D) briefing Manager on environmental issues on an ongoing basis. Any known or suspected exceptions to environmental compliance requirements discovered by the Environmental Manager shall be reported immediately to Manager who, in turn, shall notify the Executive Committee of his findings and ensure that all required corrective actions and all required reports are initiated and completed as soon as possible.

(ii) Beginning in 1994, Manager shall request an opinion from legal counsel to the Partnership as to the compliance of all the Partnership's operations with all applicable Environmental Laws and the Partnership's potential exposure to legal liabilities under any Environmental Law. Legal counsel shall, in turn, retain qualified independent, third party environmental consultants to act as counsel's agents in conducting an environmental audit of Partnership operations to the degree of detail which, in counsel's opinion, is necessary to form the basis of counsel's legal compliance opinion. All documents of whatever kind generated during the course of developing and providing the legal opinion, including any materials prepared by legal counsel's agents, shall be treated, stored and distributed in a manner which maintains the attorney-client privilege for such documents. Whenever counsel concludes that a condition associated with the Partnership's operations could constitute a violation of an Environmental Law and/or could subject the Partnership to administrative, civil or criminal prosecution or other potential liability, legal counsel shall bring that conclusion to the attention of the Environmental Manager and Manager. Manager shall report such conclusion to the Executive Committee and shall, together with the Environmental Manager, establish and implement a corrective action plan and, if required by law, report the violation as soon as possible. No more than three years shall elapse between any such environmental audit during the terms of the Partnership.

(5) *Data Processing and Information Services*. Manager shall utilize its computer systems to provide centralized computer operations, including sales data storage and analysis systems as well as vending asset management systems. Manager will perform all required programming (including hand held computers) and arrange for data and voice communication services.

(6) *Corporate Manufacturing Management*. Manager will provide manufacturing administration, quality assurance administration and consumer response center administration.

(7) *Risk Management*. Manager shall contract for the purchase of insurance policies on behalf of the Partnership, at coverage levels prescribed by the Executive Committee. A list of the initial policies and coverage levels thereunder are set forth in Exhibit C hereof. Manager shall, on behalf of the Partnership, cause such policies (or such other policies which are satisfactory to or required by the Executive Committee) to be maintained during the term of this Agreement.

3.02 Manager's Personnel. All of Manager's personnel providing services hereunder shall be exclusively employed by Manager or its Affiliates, and Manager shall have the sole right to determine their conditions of employment, working hours, employment and vacation policies, seniority, promotions and assignments. Manager shall have the exclusive right to hire and fire any such personnel and shall comply with all the laws applicable to the employment of such personnel. Subject to the provisions of Section 5 below, Manager shall be solely responsible for the compensation of the employees and for all withholding taxes, Federal Insurance Contributions Act (**"FICA"**) and Federal Unemployment Tax Act **("FUTA")** taxes, unemployment insurance, workmen's compensation and any other insurance and fringe benefits with respect to such employees.

3.03 Limitations on Authority. Notwithstanding anything contained herein to the contrary, without the express consent of the Executive Committee, Manager shall not permit the Partnership to take or approve any of the actions listed on Exhibit 11.1(d) of the Partnership Agreement.

3.04 Books and Records. Manager shall, upon written request of a member of the Executive Committee, make its books and records with respect to the Business available to the Executive Committee, the Finance Committee, the Partnership or the Partners, at the reasonable request of any of them. In particular, the Partnership or any Partner shall have access to such books and records at reasonable business hours for the purposes of (i) auditing the actual fully loaded cost of product sold and transportation expenses charged to the Partnership as contemplated by Section 3.01(c)(1) and Exhibit A, (ii) obtaining information relating to payments made to third parties pursuant to the KO and CCBCC Prior Purchase Agreements and determining compliance by the Partnership with its obligation sunder the KO and CCBCC Prior Purchase Agreements, (iii) auditing the Management Fee and Expenses charged to the Partnership and (iv) auditing the Due to/Due from Account. The Partnership shall bear the costs of any independent accounting firm engaged by KO Sub for the purpose of performing the review described in this Section.

Section 4. Additional Services Provided by Manager.

In the course of performing its duties hereunder, Manager may determine that it is in the best interests of the Partnership to obtain goods, technology or other services from Manager or its Affiliates. The provision of such products and services will be considered to be within the scope of this Agreement and shall be made available to the Partnership with the approval of the Executive Committee. The price or fees (excluding applicable taxes, and transportation costs which shall be charged to the Partnership at cost) charged by Manager or its Affiliates for such products and services shall be no less favorable than those charged to other entities by Manager whose business is comparable to that of the Partnership whether or not such entities are Affiliates; provided, however, that under no circumstances shall Manager be required to charge the Partnership an amount which is less than Manager's actual cost provided that the provision of such products or services are duly authorized in accordance with this Agreement.

Section 5. Partnership Payments.

5.01 ***Management Fee.*** In consideration for the services to be provided by Manager pursuant to this Agreement, the Partnership shall pay to Manager a management services fee equal to 20.6¢ per 8 oz. equivalent case (i.e., 192 ounces/case) of bottles, cans and pre-mix (**"Equivalent Case"**) sold by the Partnership in the Territory after the Closing Date (the **"Management Fee"**). Subject to the provisions of Section 7.02, the Management Fee shall be increased for 1996 and 1997 in accordance with the increase in the Urban Wage Earners and Clerical Workers-South-All Items consumer price index published by the U.S. Department of Labor (**"CPI"**) for the most recent twelve (12) month period for which statistics are available on January 1, 1996 and January 1, 1997, respectively. Thereafter, unless the parties agree otherwise, the Management Fee will be increased for each subsequent year at a rate equal to one-half ($^1/_2$) of the increase in the CPI for the most recent twelve (12) month period for which statistics are available as of January 1 of such year.

5.02 ***Expenses.*** The expenses incurred by the Partnership (or by the Manager on behalf of the Partnership) as contemplated in the Annual Business Plan shall be deemed to be expenses of the Partnership payable in addition to the Management Fee. Such expenses will be subject to audit as provided in Section 3.04 hereof. No expense other than those accounted for in, or allowed by, the Annual Business Plan shall be payable by the Partnership unless such expense is (i) less than $50,000 and is approved by the Finance Committee or (ii) otherwise approved by the Executive Committee (all expenses payable by the Partnership pursuant to this Section 5.02 are referred to herein as **"Expenses"**). The Partnership agrees that it will cause the (i) Finance Committee to convene a meeting to consider approval of any such expense no later than five (5) Business Days after receipt of written request

for approval from Manager or (ii) Executive Committee to convene a meeting to consider approval of any such expense no later than fifteen (15) Business Days after receipt of written request for approval from Manager, whichever is relevant. By way of illustration, and subject to being included in the Annual Business Plan or otherwise specifically authorized in this Section 5.02, the following Expenses shall be the types of Expenses which will be addressed in the Annual Business Plan and generally payable by or on behalf of the Partnership:

(a) *Entity and Sales Branch Expenses.* The Partnership will incur direct expenses related to its form of entity or Business in the form of fees or taxes to third parties such as state or local governments. In addition, each Sales Branch within the Territory will incur certain specific expenses directly related to the routine operation of the Sales Branch. Such expenses are set forth on Exhibit C.

(b) *Division Expenses.* Manager shall charge the Partnership for certain expenses incurred at Manager's Division level on a per case basis. These expenses will be Division sales management expenses, vender service expenses, fleet expenses and post-mix management services expenses, as set forth on Exhibit D.

(c) *Refurbishment Expense.* Manager will charge the Partnership its actual average cost at the center in which the refurbishment is performed of refurbishing items listed on Exhibit E owned or leased by the Partnership including the cost of delivery and pickup of cold drink equipment at Manager's standard rates.

(d) *Miscellaneous Expense.* Other reasonable and necessary expenses directly related to the Partnership's business operations or administration thereof which are set forth on Exhibit F.

5.03 ***Payments, Reconciliation and Reimbursement.***

(a) *Estimated Monthly Payments.* Subject to the provisions of Section 7.01 hereof, the estimated Management Fee and Expenses to be paid by the Partnership as set forth in the Annual Business Plan shall be paid as follows: the Partnership shall pay to Manager on or before the 15^{th} of each month during each fiscal year of the Partnership a monthly disbursement equal to the sum of (i) the estimated Management Fee for such month, and (ii) one-twelfth ($^{1}/_{12}{}^{th}$) (or, in the case of the Partnership's 1993 fiscal year, one-sixth ($^{1}/_{6}$)) of the estimated fiscal year Division Expenses and Miscellaneous Expenses all as set forth in the Annual Business Plan.

(b) *Quarterly Reconciliation of Payments.* On or before the end of each fiscal quarter, beginning with the second fiscal quarter following the Closing Date, Manager will furnish to the Partners a statement reconciling actual Equivalent Case sales and Expenses for the immediately preceding fiscal quarter against the

estimated amounts used in determining the amount of the monthly disbursement. For each quarter, the Partnership (acting through the Executive or Finance Committee) and Manager shall agree upon a true-up adjustment in such amount as is necessary to ensure that the aggregate estimated monthly payments paid to Manager for the reconciled fiscal quarter are not more than or less than the amounts that would have been paid had the actual Management Fee and relevant Expenses been known to the parties at the time the monthly advances were paid, with the amount of such adjustment bearing interest at the Composite Rate in each case from the date any such adjusted item is paid to the date of reconciliation. Any refund due from Manager to the Partnership, and any additional payment due from the Partnership to Manager, as a result of this reconciliation shall upon determination thereof be debited/ credited, as appropriate, to the Due to/Due from Account described hereinbelow.

(c) *Payment of Invoiced Items.* Manager shall be entitled to payment from the Partnership for all Entity and Sales Branch Expenses, Refurbishment Expenses and Miscellaneous Expenses not otherwise subject to estimated payments as provided in Section 5.03(a), within ten (10) days following delivery of invoice and make appropriate credit entries in respect thereof in the Due to/ Due from Account.

(d) *Due to/Due From Account.* Following the Closing Date, Manager shall collect Partnership receipts in various bank accounts and debit such amounts to a due to/due from account (the "Due to/Due from Account"). All disbursements made by Manager on behalf of the Partnership shall be credited to the Due to/Due from Account. Interest shall accrue at the Composite Rate on a monthly basis on the average of (i) the net balance of such Account on the last day of the prior fiscal month and (ii) the net balance of such Account on the last day of the subject fiscal month. So long as the Due to/Due from Account has a net deficit or net surplus balance less than Five Million Dollars ($5,000,000), Manager's Treasurer, at her/his discretion, may (i) in the event of a deficit balance, draw on the Partnership revolving line of credit described in Section 6.01(e) hereof ("Revolver") or (ii) in the event of a surplus balance, cause a payment to be made and applied to a reduction of the outstanding Partnership indebtedness, in each case in an amount up to the amount of such account balance. In the event that the Partnership has a deficit balance of Five Million Dollars ($5,000,000) or more, Manager's Treasurer may draw on the Revolver to eliminate the deficit balance. In the event that the Partnership has a surplus balance of Five Million Dollars ($5,000,000) or more, Manager's Treasurer shall cause a payment in the amount of such surplus balance to be applied to a reduction of outstanding Partnership indebtedness. Manager shall immediately notify the Partners any time a draw is made on the Revolver. Nothing herein shall require that a segregated bank account be maintained for the Partnership, provided that Manager's system of accounting for receipts and disbursements is reasonably satisfactory to the Executive Committee. Manager will generate

and maintain monthly reports detailing all debits and credits to the Due to/Due from Account, including a calculation of any interest charges. Such reports and other detail regarding the debits and credits to the Due to/Due from Account will be made available upon the reasonable request of any member of the Executive Committee or the Finance Committee.

5.04 ***Management Fee Distinguished from Distributions***. All fees and other payments paid by the Partnership to Manager under this Section 5 shall be considered separate from, and shall not constitute, distributions paid to Manager by the Partnership from accrued profits or cash flow.

Section 6. Obligations of the Partnership.

6.01 ***Duties of the Partnership.*** In addition to the obligations imposed upon the Partnership elsewhere in this Agreement and commencing on the Closing Date, the Partnership shall:

(a) provide or cause to be provided at no charge to Manager sufficient secure building space, furniture facilities and office equipment to enable Manager's on-site personnel to carry out their obligations under this Agreement;

(b) assist Manager in obtaining, or cause to be obtained any permits, applications, authorizations or forms required by or from the federal, state or local governments for the specific services areas or which are, in the opinion of the Executive Committee, desirable;

(c) afford Manager's personnel unlimited and unrestricted access to all the Partnership's facilities subject only to such routine security precautions as the Partnership may impose in the nature of its business requirements;

(d) cooperate with Manager and direct all the Partnership personnel (if any) to extend maximum cooperation to Manager; and

(e) maintain a revolving line of credit or other financing sufficient in the reasonable judgment of the Executive Committee to satisfy the Partnership's anticipated peak seasonal working capital needs.

Section 7. Term.

7.01 ***Effective Date.*** This Agreement shall become effective as of the Closing Date. If the Aiken, South Carolina KO bottling franchise and related assets are transferred to the Partnership on or prior to August 30, 1993, Manager shall be entitled to receive the Management Fee with respect to all Equivalent Cases sold by Palmetto in such territory after the Closing Date.

7.02 ***Duration.*** Unless terminated pursuant to Section 7.03 below, this Agreement shall continue in full force and effect for a term of twenty-five (25) years after the Closing Date; provided that following December 31, 1995 the parties will negotiate in good faith to alter the terms and conditions of the Agreement to reflect the then current agreements of the parties.

7.03 ***Early Termination.*** This Agreement shall terminate early as follows:

(a) *Breach.* If at any time either party to this Agreement shall default in the performance of any of its material obligations under this Agreement and such default or breach shall continue for a period of forty-five (45) days after the other party has given notice to the aforementioned party specifying such default or breach and requiring it to be remedied, then the party giving said notice shall have the right to terminate this Agreement on forty-five (45) days written notice if the default remains uncured for such additional forty-five (45) days following such notice; provided, however, that (i) the failure of the Partnership to meet the projections set forth in the Annual Business Plan shall in and of itself not be deemed to be a breach of this Agreement by Manager and (ii) a default under Section 5.03(d) shall not be deemed a breach of a material obligation unless such amount in dispute equals or exceeds Ten Million Dollars ($10,000,000); provided, further, Manager shall not have the right to terminate this Agreement if the Partnership's breach hereof is due primarily to any action or omission by CCBCC Sub.

(b) *Bankruptcy Decree.* If a decree or order of a court having jurisdiction has been entered adjudicating a party bankrupt, insolvent, or approving a petition seeking reorganization of such party under any bankruptcy act or any similar applicable law, and such decree or order has continued undischarged or unstayed for a period of sixty (60) days; or a decree or order of a court having jurisdiction for the appointment of a receiver or liquidator or trustee or assignee in bankruptcy or insolvency of such party or all or substantially all of its property, or for the winding up or liquidation of its Affiliates, has been entered, and such decree or order has remained in force undischarged or unstayed for a period of sixty (60) days, then the other party shall have the right to terminate this Agreement by giving the first mentioned party notice to that effect within thirty (30) days after the expiration of such sixty-day period.

(c) *Institution of Bankruptcy Proceedings.* If a party institutes proceedings to be adjudicated voluntarily bankrupt or consents to the filing of bankruptcy proceedings against it, or files a petition for answer or consent seeking reorganization under any bankruptcy act or similar law or consents to the filing of any petition or consents to the appointment of a receiver or liquidator or trustee or assignee in bankruptcy or insolvency of it, or all or substantially all of its property, or makes a general assignment for the benefit of creditors or admits in

writing its inability to pay its debts generally as they become due, then the other party shall have the right to terminate this Agreement by giving the first mentioned party notice to that effect within thirty (30) days after the occurrence of such event.

(d) *Change of Control*. At any time after a Change of Control, KO Sub may elect to terminate this Agreement following twelve (12) month's prior written notice.

7.04. ***Partnership Termination.*** Upon the termination of the Partnership, this Agreement shall be terminated concurrently therewith, and KO Sub or its Affiliate and CCBCC shall enter into a management agreement providing for the management of the portion of the Business distributed to KO Sub or its Affiliates in the dissolution of the Partnership upon the same terms and conditions (including any CPI adjustment provision herein) as in effect at the time of the termination of the Partnership, except that KO Sub shall assume all of the authority of the Executive Committee under this Agreement. The Annual Business Plan adopted by KO Sub each year during the term of such agreement shall be substantially similar to the Annual Business Plans adopted in prior years. Such Agreement shall have a term of at least two years, but shall be terminable by KO Sub on sixty (60) days prior written notice. Following the termination of such management agreement, CCBCC shall cooperate in good faith with KO Sub in making available for employment by KO Sub or its Affiliates all employees of CCBCC or its Affiliates who are engaged in the operation of that portion of the Business then owned by KO Sub or its Affiliates.

7.05 ***Effect of Termination.*** Upon the termination of this Agreement, this Agreement shall be of no further force and effect, except that the provisions Sections 8, 9 and 10 shall continue in full force and effect indefinitely. Upon the termination of this Agreement, the Partnership shall immediately pay Manager the balance of the Management Fee accrued hereunder to the date of termination. Notwithstanding anything contained herein to the contrary, in the event that this Agreement is terminated pursuant to Section 7 hereof, the Partnership may elect to purchase product from Manager on the same terms as set forth in Section 3.01(c)(1) for up to two (2) years following termination; provided that Manager has received written notice of such election no later than fifteen (15) Business days prior to termination; and further provided that following such election the Partnership may elect to discontinue making such purchases from Manager upon sixty (60) days prior written notice.

Section 8. Confidentiality.

8.01 ***Confidential Information.*** The Parties acknowledge that each of them may be required to disclose Confidential Information to governmental agencies or authorities by law, upon the advice of counsel, and each shall endeavor to limit disclosure to that purpose. Each Party will give the other prior written notice of

any disclosure pursuant to this paragraph, which notice shall specify the substance of any such disclosure.

8.02 ***Identification.*** Each party hereto will take appropriate steps to enable the other party hereto to identify the information that should be protected as Confidential Information. Accordingly, each party shall legend or otherwise designate as proprietary any material furnished to the other party if any Confidential Information is included. In addition, any information involving Confidential Information that is imparted orally shall be identified as proprietary.

8.03 ***Acknowledgment of Confidential Information.*** Each party recognizes and acknowledges (a) that Confidential Information of the other party may be commercially valuable proprietary products of such party, the design and development of which may have involved the expenditure of substantial amounts of money and the use of skilled development experts over a long period of time and which afford such party a commercial advantage over its competitors; (b) that the loss of this competitive advantage due to unauthorized disclosure or use of Confidential Information of such party may cause great injury and harm to such party; (c) that the restrictions imposed upon the parties under this Agreement are necessary to protect the secrecy of Confidential Information and to prevent the occurrence of such injury and harm.

8.04 ***Nondisclosure.*** Each party who receives Confidential Information hereunder (the **"Receiving Party"**) agrees that it will not, without the prior written consent of the party from whom such Confidential Information was obtained (the **"Disclosing Party"**), disclose, divulge or permit any unauthorized person to obtain any Confidential Information disclosed by the Disclosing Party (whether or not such Confidential Information is in written or tangible form) for as long as the pertinent information or data remain Confidential Information. The Receiving Party hereby agrees to indemnify and hold harmless the Disclosing Party from and against any and all damage, loss, liability and expense (including, without limitation, reasonable expenses of investigation and reasonable attorneys' fees and expenses) arising from any such unauthorized disclosure by the Receiving Party or its personnel. The Receiving Party agrees that it will use any Confidential Information disclosed by the Disclosing Party hereunder (whether or not such Confidential Information is in written or tangible form) only for purposes of the business of the Partnership as contemplated by the Partnership Agreement, for as long as the pertinent information or data remain Confidential Information. The Receiving Party hereby agrees to indemnify, defend and hold harmless the Disclosing Party from and against any Loss arising from any such unauthorized disclosure by the Receiving Party or its personnel.

8.05 ***Security.*** To protect the Confidential Information of the parties, each party shall adopt basic security measures of the kind commonly observed in industries in the United States of

America that rely extensively on proprietary information. Security measures, to the extent appropriate, shall include physical security measures, restrictions on access by unauthorized personnel, use of confidentiality agreements with personnel, legending, systematic segregation, and appropriate record retention systems.

8.06 Competitively Sensitive Information. Notwithstanding the foregoing, in providing information hereunder, each party hereto will take care, and will ensure that its respective representatives will take care, to avoid the overbroad disclosure of competitively sensitive financial, operating or similar data, if any, as to which disclosure would have adverse consequences under applicable laws, including federal and state antitrust laws. Appropriate procedures will be followed by the Partnership and the Partners to limit the disclosure of competitively sensitive data, if any.

Section 9. Manager's Liability and Indemnification.

9.01 ***Limitation on Liability*****.** Manager shall not be responsible for any errors in judgment made in good faith in the performance of its duties hereunder; provided, however, that nothing contained herein shall release Manager of any responsibility it may have for product liability claims or claims based on the negligent or willful misconduct of Manager.

9.02 ***Indemnification*****.** The Partnership shall indemnify and hold Manager and its Affiliates, directors, officers, employees and agents (each an **"Indemnitee"**) harmless from any and all Losses arising in connection with the Business (a **"Claim"**), except to the extent such Losses arise out of Manager's breach of this Agreement, negligence, fraud or willful misconduct in which event Manager shall be liable to and indemnify the Partnership from and against any Losses incurred by the Partnership as a result thereof.

9.03 ***Indemnity Procedure for Third Party Claims*****.** The obligations and liabilities of the Partnership to indemnify an Indemnitee or Manager to indemnify the Partnership, as applicable, for third party Claims (including those by Manager's personnel) under this Section 9 shall be subject to the following terms and conditions:

(a) The person or entity (i.e., Partnership, Manager or Indemnitee) making a claim (**"Claimant"**) will give the party from whom indemnity is sought (**"Notified Party"**) prompt notice of such Claim. The failure to promptly notify a party of any such Claim shall not relieve the party of its obligation hereunder, unless the failure to so notify such party materially prejudices such party's ability to defend such Claim.

(b) Following notice by the Claimant to the Notified Party of a Claim, the Notified Party shall be entitled at its cost and

expense to contest and defend such Claim by all appropriate legal proceedings; provided, however, that notice of the intention so to contest shall be delivered by the Notified Party to the Claimant within thirty (30) days from the date of receipt by the Notified Party of notice from the Claimant of the assertion of such Claim. Any such contest may be conducted in the name and on behalf of the Notified Party or the Claimant, as may be appropriate. Such contest shall be conducted diligently by reputable counsel employed by the Notified Party, but the Notified Party shall keep the Claimant fully informed with respect to such Claim and the contest thereof and the Claimant shall have the right to engage its own counsel at its own expense. If the Claimant joins in any such contest, the Notified Party shall have full authority, in consultation with the Claimant, to determine all action to be taken with respect thereto; provided, however, that in no event shall the Notified Party have authority to agree to any relief other than the payment of money damages by the Claimant unless agreed to by the Claimant. Each party shall bear its own expense of such representation. If any Claim is asserted and the Notified Party fails to contest and defend such Claim within a reasonable period of time, the Claimant may take such action in connection therewith as the Claimant deems necessary or desirable, including retention of counsel, and the Claimant shall be entitled to indemnification of the costs incurred in connection with such defense.

(c) If requested by the Notified Party, the Claimant shall cooperate with the Notified Party and its counsel, including permitting reasonable access to books and records, in contesting any Claim which the Notified Party elects to contest or, if appropriate, in making any counterclaim against the person asserting the Claim, or any cross-complaint against any person, and the Notified Party will reimburse the Claimant for reasonable out-of-pocket costs (but not the cost of employee time expended) incurred by the Claimant in so cooperating.

(d) The Claimant agrees to afford the Notified Party and its counsel the opportunity to be present at, and to participate in, conferences with all persons, including governmental authorities, asserting any Claim against the Claimant or conferences with representatives or counsel for such persons. Unless the Notified Party approves in writing the settlement of a Claim, no right to indemnification under Section 9.02 shall be established by such settlement.

9.04 ***Excused Performance*****.** Delay in performance or non-performance by Manager shall be excused to the extent Manager's ability to perform fully is prevented by an act of God or similar event beyond the reasonable contemplation or control of Manager.

Section 10. Dispute Resolution.

10.01 ***Attempts to Resolve*****.** All disputes and differences raised by any party to this Agreement or any Partner which may arise out of or in connection with or with respect to this Agreement (including but not limited to any rights of indemnification under Section 9 hereof) will be settled as far as possible by means of negotiations between the members of the Executive Committee. Any such dispute which cannot be resolved by the Executive Committee after two meetings of the Executive Committee may be referred by any member of the Executive Committee to KO's North American Executive Officer and Manager's Chief Executive Officer for resolution. If said senior executive officers of the Partners are unable to resolve such matter within sixty (60) days of such referral, then either party may submit the dispute to arbitration in accordance with Section 10.02 of this Agreement for a binding resolution thereof.

10.02 ***Arbitration*****.** Except as provided in Section 10.05 hereof, any dispute, controversy or claim arising out of or relating to this Agreement or the breach, termination or validity thereof which cannot be resolved by the parties pursuant to Section 10.01 hereof shall be settled by arbitration in accordance with the Arbitration Rules of the American Arbitration Association in effect on the date of this Agreement (the **"Rules"**) as modified in this Article. The arbitration shall be held in Atlanta, Georgia.

There shall be three arbitrators of whom each party shall select one within 15 days following respondent's receipt of claimant's notice of arbitration and statement of claim. The two party-appointed arbitrators shall select a third arbitrator to serve as presiding arbitrator within 15 days of the appointment of the second arbitrator; provided, however, that in no event shall such arbitrators be residents of or maintain a place of business in the Atlanta, Georgia, Charlotte, North Carolina or Chattanooga, Tennessee Standard Metropolitan Statistical Areas. The appointing authority shall be the Atlanta Office of the American Arbitration Association.

10.03 ***Claims and Judgments*****.** Within twenty (20) days of the respondent's receipt of the claimant's notice of arbitration and statement of claim, the respondent shall serve the claimant with its statement of defense and any counterclaims. Within twenty (20) days of claimant's receipt of the respondent's statement of defense and counterclaims, the claimant shall serve its statement of defense to any counterclaims or set-offs asserted by the respondent. The tribunal shall permit and facilitate such prehearing discovery and exchange of documents and information to which the parties in writing agree or which it determines is relevant to the dispute between the parties as is appropriate taking into account the needs of the parties and the desirability of making discovery expeditious and cost-effective. All discovery shall be completed within forty-five (45) days from the date on

which the respondent communicates its statement of defense and counterclaims, if any, to the claimant. The hearing shall be held no later than ninety (90) days following the selection of the presiding arbitrator. Any arbitration award shall be rendered in U.S. dollars, with appropriate interest as determined by the tribunal. Judgment on any award shall be entered in any court having jurisdiction thereof.

10.04 ***Submission to Jurisdiction.*** For purposes of disputes arising under this Agreement, the parties hereto submit themselves to the jurisdiction of the state and federal courts located in Atlanta, Georgia or Charlotte, North Carolina with respect to the enforcement of any arbitration award, provided however, that nothing contained herein shall be deemed a waiver by either party of any right it may have to (i) remove a cause of action brought in state court to a federal court or (ii) petition a court for a change of venue to or from Atlanta, Georgia or Charlotte, North Carolina. Each of the parties hereby consents to the service of process by registered mail at its address set forth below and agrees that its submission to jurisdiction and its consent to service of process by mail is made for the express benefit of the other party. The arbitration shall be governed by the Federal Arbitration Act, 9. U.S.C. §§ 1-16, 201-208.

10.05 ***Right to Additional Remedies.*** Notwithstanding anything to the contrary in this Article, in the event any intellectual property (including Confidential Information) is used in violation of the terms of this Agreement, each party shall be entitled, in addition to the remedy of arbitration set forth herein, to apply immediately to any court of competent jurisdiction for immediate injunctive relief. Each party hereby submits itself to the jurisdiction of the state and federal courts located in Atlanta, Georgia or Charlotte, North Carolina for any such relief or for the enforcement of any arbitration award against such party; provided, however, that nothing contained herein shall be deemed a waiver by either party of any right it may have (i) remove a cause of action brought in a state court to a federal court or (ii) petition a court for a change of venue to or from Atlanta, Georgia or Charlotte, North Carolina.

Section 11. Press Release.

The parties hereto shall consult with each other before issuing any press release or otherwise making any public statements with respect to this Agreement and the transactions contemplated hereby and shall not issue any such press release or make any public statement prior to such consultation, except as may be required by law.

Section 12. Independent Status of Parties.

Except as specifically provided herein, nothing contained in this Agreement shall be construed to constitute a party as agent for the other party. Except as specifically provided herein,

neither party shall have the right to bind the other party, transact any business in the other party's name or on its behalf in any manner or form, or to make any promises or representations on behalf of the other party.

Section 13. Assignment.

Neither the Partnership nor Manager shall assign or transfer any right or obligation hereunder whether by operation of law or otherwise without the prior written consent of the other. Any such attempted assignment or transfer in violation of this Section 13 shall be void and without legal effect. Notwithstanding the foregoing, Manager may assign all or any of its rights and obligations hereunder to any wholly owned subsidiary (direct or indirect) of Manager, provided, however, that (a) (i) Manager shall give the Partnership written notice of such assignment, (ii) any such assignee shall execute an agreement assuming such duties and obligations and deliver the same to the Partnership, and (iii) Manager shall deliver to the Partnership a written unconditional guaranty of the performance of the duties and obligations so assigned and assumed and (b) such rights and obligations shall revert back to Manager at such time as the assignee ceases to be a wholly owned subsidiary of Manager. Subject to the foregoing, this Agreement shall inure to the benefit of, and be binding upon, the successors and assigns of the parties hereto.

Section 14. Governing Law.

This Agreement shall be governed by and construed in accordance with the laws of the State of North Carolina, regardless of any conflicts of laws or rules which would require the application of the laws of another jurisdiction.

Section 15. Miscellaneous.

15.01 ***Notices.*** Any notice, request, instruction or other document to be given hereunder by any party hereto to any other Person shall be in writing and delivered personally or by mail or any express mail service to the addresses set forth below.

(a) If to Partnership:

Coca-Cola Bottling Co. Consolidated
1900 Rexford Road
Charlotte, NC 28211
Attention: Chief Financial Officer
Telecopy Number: 704-551-4451

With a copy to addresses listed in (b) below

(b) If to KO Sub:

The Coca-Cola Company
One Coca-Cola Plaza
Atlanta, GA 30313
Attention: Chief Financial Officer
Telecopy Number: (404) 676-6275

and

The Coca-Cola Company
One Coca-Cola Plaza
Atlanta, GA 30313
Attention: General Counsel
Telecopy Number: (404) 676-6209

(c) If to Manager, Palmetto or Ventures:

Coca-Cola Bottling Co. Consolidated
1900 Rexford Road
Charlotte, NC 28211
Attention: Chief Financial Officer
Telecopy Number: (704) 551-4451

With a copy to:

Witt, Gaither & Whitaker
1100 American National Bank Building
Chattanooga, TN 37402
Attention: Ralph M. Killebrew, Jr.
Telecopy Number: (615) 266-4138

or to such other address or number for a party as shall be specified by like notice. Any notice to the Partnership shall be delivered to all the addressees provided above. All notices so given shall also be sent by telecopy transmission to the telecopy numbers set forth above or such other numbers as shall be given by notice to the other parties hereto. Any notice which is delivered personally or by telecopy transmission in the manner provided herein shall be deemed to have been duly given to the party to whom it is directed upon actual receipt by such party or its agent. Any notice which is addressed and mailed in the manner herein provided shall be conclusively presumed to have been duly given to the party to which it is addressed at the close business, local time of the recipient, on the fourth Business Day after the day it is so placed in the mail or, if earlier, the time of actual receipt.

15.02 ***Nonwaiver of Default.*** Any failure by either party at any time or from time to time to enforce and require the strict keeping and performance of any of the terms and conditions of this Agreement shall not constitute a waiver of any such terms and conditions at any future time and shall not permit such party from

insisting on the strict keeping and performance of such terms and conditions at any later time.

15.03 ***Interpretation.*** Should the provisions of this Agreement require judicial or arbitral interpretation, it is agreed that the judicial or arbitral body interpreting or construing the same shall not apply the assumption that the terms hereof shall be more strictly construed against one party by reason of the rule of construction that an instrument is to be construed more strictly against the party which itself or through its agents prepared the same, it being agreed that the agents of both parties have participated in the preparation herein equally.

15.04 ***Partial Invalidity.*** If any term or provision of this Agreement not essential to the basic purpose hereof shall be held to be illegal, invalid or unenforceable by a court of competent jurisdiction, it is the intention of the parties that the remaining terms hereof shall constitute their agreement with respect to the subject matter hereof, and all such remaining terms shall remain in full force and effect and shall be deemed to constitute the entirety of this Agreement as though such illegal, invalid or unenforceable provision had never been a part hereof.

15.05 ***Amendment or Rescission***. This Agreement shall not be modified or rescinded except by a written instrument setting forth such modification or rescission and signed by the parties hereto.

15.06 ***Duplicate Originals.*** For the convenience of the parties hereto, this Agreement may be executed in two counterparts, and each such counterpart shall be deemed to be an original instrument and together constitute one and the same Agreement.

15.07 ***Captions.*** The captions or headings of the Sections and other subdivisions hereof are inserted only as a matter of convenience or for reference and shall have no effect on the meaning of the provisions hereof.

15.08 ***Entirety of Agreement.*** This Agreement constitute the entire agreement between the parties hereto with respect to the subject matter hereof, and there are no agreements, understandings, covenants, conditions or undertaking, oral or written, expressed or implied, concerning such subject matter that are not merged herein. Furthermore, this Agreement shall not be deemed to amend or affect the Partnership Agreement except as may be expressly set forth therein. In the event of any conflict between the terms of this Agreement and the Partnership Agreement, the terms of the Partnership Agreement shall prevail. The Interim Management Agreement, dated June 16, 1993, between Manager and Carolina Holding has been terminated simultaneously with the execution of this Agreement.

15.09 ***Plurals, Etc.*** As used herein or in any document which incorporates the terms hereof:

(a) the plural form of the noun shall include the singular and the singular shall include the plural, unless the context requires otherwise;

(b) each of the masculine, neuter and feminine forms of any pronoun shall include all forms unless the context otherwise requires; and

(c) words of inclusion shall not be construed as terms of limitation, so that references to included matters shall be regarded as non-exclusive, non-characterizing illustrations.

15.10 ***No Rights or Privileges to Employees.*** This Agreement shall not (and shall not be construed to) confer any rights or privileges on any employees of any party to this Agreement.

IN WITNESS WHEREOF, each of the parties has caused this Agreement to be executed on its behalf by its duly authorized representative as of the date first written above.

MANAGER:

Coca-Cola Bottling Co. Consolidated

By: /s/ DAVID V. SINGER

David V. Singer
Vice President

CCCB PARTNERSHIP:

Carolina Coca-Cola Bottling Partnership

By: /s/ TIMOTHY J. DOYLE

Carolina Coca-Cola Bottling Investments, Inc.
General Partner

By: /s/ DAVID V. SINGER

Coca-Cola Ventures, Inc.
General Partner

By: /s/ DAVID V. SINGER

Palmetto Bottling Company
General Partner

WILMINGTON:

CCBC of Wilmington, Inc.

By: /s/ DAVID V. SINGER

David V. Singer
Vice President

PARTNERS:

Carolina Coca-Cola Bottling Investments, Inc.

By: /s/ TIMOTHY J. DOYLE

Timothy J. Doyle
Vice President

Coca-Cola Ventures, Inc.

By: /s/ DAVID V. SINGER

David V. Singer
Vice President

Palmetto Bottling Company

By: /s/ DAVID V. SINGER

David V. Singer
Vice President

EXHIBIT A

Fully Loaded Standard Manufacturing Cost 1993

The definition of Coca-Cola Bottling Co. Consolidated fully loaded standard cost includes the following components: raw materials, direct manufacturing labor, variable manufacturing overhead and fixed manufacturing overhead each of which is computed on a physical case basis by package.

Raw material costs include the estimated cost for concentrate, sweetener and packaging materials such as bottles, cans, closures, glue, hi-cones, trays and labels. Other raw materials include miscellaneous blending ingredients and CO_2.

The direct labor component of costs include estimated labor costs that are directly involved in the production of finished goods. Costs include regular wages, associated fringe benefits and payroll taxes.

The variable manufacturing overhead component of costs include all estimated indirect labor, variable and semivariable factory overhead costs. Costs include indirect labor, supplies, machine maintenance, materials breakage, production machine rental, insurance/workers' compensation, utilities and maintenance costs

The fixed manufacturing overhead component of cost include all estimated fixed labor, depreciation expense, facility maintenance and building repairs, general insurance, taxes and building rent/lease expenses.

Fully loaded standard cost is reviewed on an annual basis and revised annually for changes in the components' cost. Fully loaded standard cost does not include any allocation of costs not incurred at production locations.

NOTE: Fully loaded standard manufacturing cost does not include transportation cost from the manufacturing location to the sales branch which shall be consistent with Manager's transportation costs incurred with respect to other sales branches. Transportation cost would be in addition to the fully loaded standard manufacturing cost in determining total product cost.

EXHIBIT B

Initial Levels of Insurance

Please see attached.

Policy Number	Insurer	Type of Insurance	Limits
PPPF891497	Home Indemnity Company	Property	$14,651,177 Buildings; $9,273,000 Contents
		Commercial General Liability	$1,000,000
		Accounts Receivable Business Interruption	$6,530,000
			$8,995,000
22CBBRB0962	Hartford Accident & Indemnity	Comprehensive Crime	$50,000 Truck Drivers; $500,000 All other employees
GLA583-43-31,24(1)	The Coca-Cola Bottlers' Assn.	Product Liability	$500,000 Each occurrence, BI, PD $1,000,000Aggregate
BAF718883 BAF7173137	Home Indemnity Company	Comprehensive Automobile Liability and Physical Damage	$1,000,000 Each occurrence
YUB00108	Genesis Insurance Company Liability	Umbrella Excess	$5,000,000 Coverage H $1,000,000 Coverage B+C
WC-L225090-2	Home Indemnity Company	Workers' Compensation	Statutory Benefits, $500,000 Employers Liability
78349363	Chubb Group	Boiler & Machinery	$10,000,000
025FF100809872	Aetna	Fiduciary Responsibility	$500,000 Basic; $500,000 Recourse

(1) Policy for Wilmington is to be issued.

EXHIBIT C

Entity and Sales Branch Expenses

Each Sales Branch will incur certain specific expenses directly related to the routine operation of the sales branch. These expenses are as follows:

1. _____ cost at Manager's fully loaded standard cost as determined in accordance with Exhibit A. Transportation cost will be included at an established standard by package for each branch to be adjusted and reconciled quarterly for any increase and decrease in cost.
2. Payroll and benefit costs for all Sales Branch Employees and Partnership employees, including the branch manager. Benefit costs currently are estimated to be (and will be accounted for in the Annual Business Plan at) 18% of payroll (which number will be adjusted from time to time to reflect actual costs) and will be reconciled and adjusted annually to actual cost.
3. Sales development fund expenses (CMA's).
4. Point-of-sale expenses.
5. Local marketing costs such as coupon redemption, product donations, customer promotion items (dealer loaders).
6. Insurance - Automobile, workers compensation, general liability, product liability, D&O, crime, property, boiler as required under Section 3.01(c)(7).
7. Utility costs.
8. Security.
9. Telephone.
10. Branch supplies
11. Building repairs.
12. Employee travel and entertainment.
13. Postage.
14. Over/short from route settlement.
15. Garbage removal.
16. Janitorial maintenance.
17. Rent on facilities.

18. Federal, state and local taxes related to the Business and payable by the Partnership.
19. Business licenses and entity licenses and fees (i.e., annual report, foreign qualification, franchise fee, etc.) relating to the Partnership or the Business.
20. Depository bank service charges.
21. Bad debt expense.
22. Advertising expense.
23. Vending and Fleet Lease Payments.
24. Other expense line items set forth in attached Profit and Loss Statement which are not specifically stated herein.

EXHIBIT D

Division Expenses

Manager will charge the Partnership on a proportionate volume basis for the relevant Division for certain expenses which are incurred at a Division level. These Division expenses are as follows:

Division sales management expenses
Vender service expenses
Fleet expenses
Post Mix Management

Computation of Pro-Rata Division Expense for Partnership.

It is anticipated that the Sales Branches will make up portions of different sales divisions which will include other sales branches of Manager. Accordingly, Manager will calculate the cost of Division sales management, vender service expenses, fleet expenses and Division post-mix management expenses on an Equivalent Case basis across all of the sales Divisions involved with the Partnership Sales Branches. The per case charge for each of the costs will then be multiplied by the Equivalent Case sales for the Sales Branches in each fiscal month.

To the extent that Division sales management, vender service expenses, fleet expense and Division post-mix management expenses are incurred at locations where 100% of the activities are related to Partnership business, then those expenses will not be based upon a pro-rata allocation using Equivalent cases. Instead, the actual expenses for these locations for the aforementioned types of expenses will be charged to the Partnership as incurred.

EXHIBIT E

Refurbishment Expenses

The following items would be refurbished by Manager and billed to the Partnership based on Manager's standard rate consistent with what Manager charges its other sales branches for the respective Manager refurb location:

Route delivery vehicles

Cold drink equipment (venders, CCM's)

Post-mix equipment

Pre-mix equipment

Coin changers

Dollar bill validators

Refrigeration units (compressors)

NOTE: The "standard rate" includes all labor costs associated with the specific refurbishment, including fringe benefits, as well as other direct expenses associated with the refurbishment process. The refurbishment cost does not include any corporate overhead or interest charges.

EXHIBIT F

Miscellaneous Expenses

1. Field Marketing personnel, Field Human Resources personnel, Field NORAND coordinators, Field Quality Assurance, management trainees. Manager will determine the total cost for these employees (payroll and benefits, T&E) in the four sales divisions which include the Sales Branches. Partnership will determine on an Equivalent Case basis the cost across all of the sales divisions involved. The per case charge for these costs would then be multiplied by the Equivalent Case sales for the Partnership branches in each fiscal month.

2. The following expenses will be charged to the Partnership on an Equivalent Case basis across all Partnership Equivalent Cases and Manager's non-Partnership Equivalent Cases combined:

   a. Under-the-crown (UTC) promotion expenses

   b. Tax consulting services

   c. NORAND equipment maintenance

3. The state soft drink association dues will be charged to the Partnership based upon the percent of Partnership Equivalent Cases to all Manager's non- Partnership and Partnership Equivalent Cases combined in the states of North Carolina, South Carolina, Georgia and Virginia. National soft drink association dues will be charged to the Partnership on a Equivalent Case basis across all of Manager's non-Partnership cases and Partnership cases combined.

4. Legal fees and external accounting/audit and tax consulting fees related directly to the Partnership or its respective branches.

5. Environmental remediation and compliance expenses, environmental compliance manager's T&E and other environmental personnel services paid by Manager which benefit the Business.

6. New product introduction costs paid by Manager which benefit the Business would be billed to the Partnership.

7. Identifiable market research paid by Manager which benefit the Business.

8. Identifiable sponsorships paid by Manager which benefit the Business and a pro rata charge based on Equivalent Case sales to the Partnership for any sponsorship which

benefits both the Partnership and Manager sales operations.

9. Bonuses paid to Division managers would be charged to the Partnership on a pro rata basis.
10. Umbrella insurance paid by Manager, if any, which benefits the Business.
11. External training costs paid by Manager (including antitrust compliance seminars) which benefit the Business.
12. Recruiting expense/placement fees paid to third parties for recruitment of personnel for the Business.
13. All financing costs including fees, interest, documentation costs, etc., paid by Manager which relate to the Business.
14. The Partnership use of Manager's aircraft; Partnership will be billed at standard hourly charge.
15. Cooperative advertising expenses paid by Manager, if any, which benefit the Business.
16. Contributions paid by Manager which benefit the Business.
17. Relocation expenses paid by Manager, if any, which relate to moving employees into the Partnership Territory.
18. Any cost of winding up previous insurance programs in the Wilmington, Goldsboro or Coastal territories which is paid by Manager.
19. Any cost of winding up employee benefit plans for employees (active/retired/ disabled) in the Wilmington, Goldsboro or Coastal territories which is paid by Manager.
20. Any other expense or cost paid by Manager which relates to the Business and is approved by the Executive Committee.
21. The cost of NORAND Equipment and supplies directly used by Partnership's Sales Branches

NO PERSON SHALL HAVE ANY RIGHT TO RELY UPON THE PROVISIONS OF THIS GUARANTY AGREEMENT WITHOUT THE EXPRESS PRIOR WRITTEN CONSENT OF THE LENDERS AND, IN CERTAIN INSTANCES, THE GUARANTOR COMMITTEE (AS SUCH TERMS ARE DEFINED BELOW) AND UNLESS SUCH WRITTEN CONSENT IS PROVIDED BY THE LENDERS AND, WHERE REQUIRED, THE GUARANTOR COMMITTEE, NO OTHER PERSON SHALL BE CONSIDERED A LENDER HEREUNDER AS MORE FULLY SET FORTH IN SECTION 15 BELOW.

AMENDED AND RESTATED GUARANTY AGREEMENT

THIS AMENDED AND RESTATED GUARANTY AGREEMENT ("Guaranty") made and entered into as of the 31st day of January, 1993 with an effective date of July 15, 1993, by EACH OF THE PARTIES SET FORTH ON EXHIBIT A ATTACHED HERETO AND INCORPORATED HEREIN BY REFERENCE, each a corporation organized and existing under the laws of the State shown opposite its name (each, a "Guarantor" and, collectively, the "Guarantors") in favor of TRUST COMPANY BANK, a Georgia banking corporation ("TCB"), Teachers Insurance and Annuity Association of America (the "Purchaser"), so long as it shall hold any of the Notes referred to below, all other Registered Noteholders (as this and other capitalized terms used herein without definition are defined in Section 1 below) and the other Lenders (as defined herein);

WHEREAS, Southeastern Container, Inc., a North Carolina corporation ("Southeastern"), has entered into a Loan Agreement, dated as of August 30, 1990, with TCB (the "Initial Loan Agreement"), providing for certain loans from TCB to Southeastern;

WHEREAS, Southeastern has also entered into a Note Purchase Agreement, dated as of August 30, 1990, with Purchaser (the "Note Agreement") pursuant to which Southeastern issued and sold to Purchaser $25,000,000 in aggregate principal amount of Southeastern's 10.15% Senior Secured Notes due August 1, 2000 (together with all Notes issued in substitution or exchange therefor in accordance with the terms of the Note Agreement, the "Notes"), the entire principal amount of which remains outstanding on the date hereof;

WHEREAS, as a condition to TCB's agreement to enter into the Initial Loan Agreement, Southeastern's obligations pursuant to the Initial Loan Agreement were guaranteed in part by that certain Guaranty Agreement dated as of August 30, 1990 from the Guarantors in favor of TCB (the "Initial TCB Guaranty") which Initial TCB Guaranty contained certain restrictions on the ability of Southeastern and TCB to amend and modify the Initial Loan Agreement;

WHEREAS, as a condition to Purchaser's agreement to enter into the Note Agreement, Southeastern's obligations pursuant to the Note Agreement were guaranteed in part by that certain Guaranty Agreement, dated as of August 30, 1990, from the

Guarantors in favor of Purchaser and the Registered Holders (the "Initial Purchaser Guaranty" and, together with the Initial TCB Guaranty, the "Initial Guaranties"), which Initial Purchaser Guaranty contained certain restrictions on the ability of Southeastern and the Registered Holders to amend and modify the Note Agreement;

WHEREAS, Southeastern anticipates that it may become necessary in the future to amend the Initial Loan Agreement or the Note Agreement or from time to time to enter into other loan agreements (together with the Initial Loan Agreement and the Note Agreement and solely to the extent that Lenders have consented to such loan agreements in writing in accordance with the terms hereof, the "Loan Agreements") relating to extensions of credit being made in connection with a variety of transactions, including without limitation, revolving credits, committed or uncommitted lines of credit, term loans, letter of credit facilities, swap agreements, receivables purchase agreements, note purchase agreements, bond indentures and repurchase agreements;

WHEREAS, as of the date hereof, certain of the Guarantors, collectively, are the owners of 81.25% of the issued and outstanding common stock of Southeastern, certain of the Guarantors are participating patrons of Southeastern, and extensions of credit to Southeastern inure to the benefit of the Guarantors;

WHEREAS, it is anticipated that other Lenders will be willing to make extensions of credit to Southeastern pursuant to other Loan Agreements only if, among other things, the Guarantors make and deliver guaranties similar to the Initial Guaranties in favor of such Lenders on behalf of Southeastern;

WHEREAS, in order to consolidate the Initial Guaranties into one agreement and to incorporate therein similar guaranties for the benefit of additional future lenders, and to allow for the amendment and modifications of the Initial Loan Agreement, the Note Agreement or any future Loan Agreement which has been consented to by (i) the existing Lenders, and, (ii) where required, the Guarantor Committee (as defined below) all as provided in Section 15, the Guarantors desire to amend and restate the Initial Guaranties as provided herein;

WHEREAS, the Guarantors are willing to enter into this Guaranty in order to induce other Lenders to make extensions of credit to Southeastern under other Loan Agreements;

WHEREAS, as evidenced by the Acknowledgment and Consent of each of Purchaser and TCB attached hereto, Purchaser and TCB have agreed to amend and restate their respective Initial Guaranties as provided in this Guaranty;

NOW, THEREFORE, in consideration of the foregoing premises, the sum of $10.00, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Guarantors hereby represent, warrant and agree as follows:

1. As used herein, the following terms shall have the following meanings:

"Affiliated Group" shall mean an affiliated group of Guarantors as set forth on Exhibit A attached hereto.

"Guarantor Committee" shall mean a committee composed of four or more members ("Members") as provided herein, each of which shall be a Guarantor, the membership of which shall be composed as follows:

(i) two Members shall be Guarantors or members of Affiliated Groups, as the case may be, who have the two largest Individual Base Amounts, with such Member, in the case of an Affiliated Group, being selected by the members of such Affiliated Group; provided, however, in the event that due to equal Individual Base Amounts, more than two Guarantors or Affiliated Groups are eligible to become a Member, each such Guarantor shall be deemed to be a Member; and

(ii) two Members shall be appointed and removed by the Chairman of the Board of Southeastern from time to time at his or her sole discretion;

provided, however, that any action of the Guarantor Committee must be unanimously approved by all Members.

"Guaranty Percentage" at any time shall mean, with respect to each Guarantor, or Affiliated Group, as the case may be, the percentage obtained by dividing such Guarantor's or Affiliated Group's, as the case may be, Individual Base Amount (exclusive of any costs of collection thereof) by the sum at such time of all of the Individual Base Amounts.

"Individual Base Amount" shall mean, with respect to each Guarantor or Affiliated Group, as the case may be, the principal amount set forth opposite the name of such Guarantor, or Affiliated Group, as the case may be, on Exhibit A attached hereto, as such Exhibit may be amended, supplemented or replaced from time to time as hereinafter provided, as such principal amount shall be reduced from time to time by any payment made hereunder by such Guarantor or Affiliated Group in respect of the principal component of Liabilities.

"Lenders" shall mean (i) TCB, so long as Southeastern shall be obligated to TCB pursuant to the Initial TCB Loan Agreement or any other loan agreement, (ii) Purchaser, so long as Purchaser

shall hold any Notes, (iii) all other Registered Noteholders holding outstanding Notes, and (iv) each other lender which is party to a Loan Agreement consented to by the existing Lenders and which is entitled to rely upon this Guaranty and be considered a "Lender" hereunder, all in accordance with the provisions of Section 15 of this Guaranty.

"Liabilities" shall mean all of Southeastern's obligations, liabilities and indebtedness to Lenders of any and every kind and nature, whether heretofore, now or hereafter owing, arising, due or payable (including obligations of performance) arising or existing under the Loan Agreements, and any notes or other loan documents executed in connection therewith (the "Loan Documents"), including all accrued interest, costs of collection against Southeastern, indemnities and other fees and expenses under any Loan Agreement (excluding, for purposes of this definition, expenses payable pursuant to Section 18 hereof).

"Person" shall mean any individual, partnership, firm, corporation, association, joint venture, trust or other entity, or any government or political subdivision or agency, department or instrumentality thereof.

"Preapproved Amendment" shall mean (i) any amendment or modification to a Preapproved Loan Agreement where following such amendment or modification, such Loan Agreement would still constitute a Preapproved Loan Agreement pursuant to the terms of this Guaranty, and (ii) any non-material amendment or modification to any Loan Agreement.

"Preapproved Loan Agreement" shall mean (i) the Initial Loan Agreement, (ii) the Note Purchase Agreement, and (iii) any other Loan Agreement where either TCB or Purchaser is the agent or sole Lender which meets each of the following conditions, in each case, as measured against the Initial Loan Agreement or the Note Purchase Agreement, respectively (in each case, the "Original Agreement"):

(x) provides for interest rate options (including applicable margins) (the "New Interest Rate Options") not in excess of 3% of the interest rate options provided in the Original Agreement (the "Original Interest Rate Options"); provided, however, that if such New Interest Rate Options are based upon an interest rate other than that used to calculate the Original Interest Rate Options, such comparison shall be based upon the average rate of such New Interest Rate Option and the Original Interest Rate Option over the three-month period immediately preceding the execution of such Loan Agreement;

(y) provides for optional prepayments on terms not substantially more onerous than the Original Agreement; and

(z) provides for covenants and events of default that are not substantially more onerous than the Original Agreement.

"Registered Noteholder" shall mean, individually, any of Purchaser (so long as Purchaser shall hold any Notes) and all other Persons who are registered holders of Notes as indicated in the Note register maintained by Southeastern pursuant to Section 10.1 of the Note Agreement; and "Registered Noteholders" shall mean, collectively, Purchaser (so long as Purchaser shall hold any notes) and all other Persons who are registered holders of Notes as indicated in the Note register maintained by Southeastern pursuant to Section 10.1 of the Note Agreement.

2. Each of the Guarantors, or each Affiliated Group, as the case may be, unconditionally guarantees the due and punctual payment in full of all Liabilities; provided that, with respect to any claim for Liabilities made under this Guaranty,

(a) no Guarantor's or Affiliated Group's obligation under this Guaranty shall exceed the sum of

(i) such Guarantor's or Affiliated Group's Guaranty Percentage of the amount of such Liabilities plus

(ii) if such Guarantor or Affiliated Group does not satisfy its obligation hereunder to pay its Guaranty Percentage of such Liabilities when due, all interest, fees and costs of collection accruing in respect of such Guaranty Percentage after the due date thereof, and

(b) in no event shall the liability of any Guarantor or Affiliated Group under this Guaranty in respect of the principal component of such Liabilities exceed its Individual Base Amount.

Guarantors comprising an Affiliated Group shall be jointly and severally liable for the Individual Base Amount of such Affiliated Group. The obligations of each Guarantor and the joint and several obligations of each Affiliated Group shall be primary, absolute, independent, irrevocable and unconditional. No payment by any Guarantor under this Guaranty to any Lender shall constitute a defense to any other Guarantor's obligations hereunder to such Lender except to the extent that such Lender has been indefeasibly paid in full.

3. Guaranty Absolute. Each Guarantor, subject to the limitations set forth in Section 2, guarantees that the Liabilities will be paid strictly in accordance with the terms of the applicable Loan Agreement, regardless of any law, regulation or order now or hereafter in effect in any jurisdiction affecting any of such terms or the rights of any Lender or Southeastern with

respect thereto. The liability of each Guarantor under this Guaranty shall be absolute and unconditional irrespective of:

(i) any lack of validity or enforceability of any Loan Agreement or any other agreement or instrument relating thereto (whether executed by Southeastern, such Guarantor or any other party) or avoidance or subordination of all or any of the Liabilities;

(ii) any change in the time, manner or place of payment of, or in any other term of, or any increase in the amount of, all or any of the Liabilities, or any other amendment or waiver of or any consent to departure from any Loan Agreement or any other agreement or instrument relating thereto (whether executed by Southeastern, such Guarantor or any other party);

(iii) any exchange, release or non-perfection of any lien on any collateral, or any release or amendment or waiver of or consent to departure from any other guaranty, for all or any of the Liabilities;

(iv) the absence of any attempt to collect all or any of the Liabilities from Southeastern or any other action to enforce the same or the election of any remedy by a Lender;

(v) the waiver, consent, extension, forbearance or granting of any indulgence by a Lender with respect to any provision of any Loan Agreement or any other agreement or instrument relating thereto (whether executed by Southeastern, such Guarantor or any other party);

(vi) the election by a Lender in any proceeding instituted under Chapter 11 of Title 11 of the Bankruptcy Code of the application of Section 1111(b)(2) of the Bankruptcy Code;

(vii) the disallowance under Section 502 of the Bankruptcy Code of all or any portion of the claims of a Lender for repayment of the Liabilities; or

(viii) any other circumstance which might otherwise constitute a legal or equitable discharge or defense of Southeastern, such Guarantor or any other guarantor (other than indefeasible payment in full of the Liabilities).

4. Each of the Guarantors further agrees that this Guaranty will remain in full force and effect as to such Guarantor notwithstanding any change in such Guarantor’s or any other guarantor’s ownership of the stock of Southeastern.

5. Each of the Guarantors hereby waives presentation to, demand of, payment from and protest to Southeastern or the Guarantors, whether in their capacities as guarantors of the Liabilities or otherwise, and also waive notice of protest for nonpayment. Furthermore, each Guarantor hereby waives (i) promptness, diligence, notice of acceptance and any and all other notices with respect to any of the Liabilities and this Guaranty, (ii) any requirement that a Lender protect, secure, perfect or insure any security interest in or other lien on any property subject thereto or exhaust any right or take any action against Southeastern or any other Person or any collateral, (iii) filing of claims with a court in the event of receivership or bankruptcy of Southeastern, (iv) protest or notice with respect to nonpayment of any or all of the Liabilities, (v) the benefit of any statutes of limitation, and (vi) all demands whatsoever (and any requirement that the same be made on Southeastern as a condition precedent to such Guarantor's obligations hereunder); and covenants that this Guaranty will not be discharged, except by indefeasible payment in full of the Liabilities.

If, in the exercise of any of its rights and remedies, a Lender shall forfeit any of its rights or remedies, including its right to enter a deficiency judgment against Southeastern or any other person, whether because of any applicable laws pertaining to "election of remedies" or the like, each Guarantor hereby consents to such action by such Lender and waives any claim based upon such action, even if such action by such Lender shall result in a full or partial loss of any rights of subrogation, contribution or reimbursement which such Guarantor might otherwise have had but for such action by such Lender. In the event a Lender shall bid at any foreclosure or trustee's sale or at any private sale permitted by law or under any Loan Agreement, such Lender may bid all or less than the amount of the Liabilities existing under the applicable Loan Agreement and the amount of such bid need not be paid by such Lender but shall be credited against such Liabilities. The amount of the successful bid at any such sale, whether such Lender or any other person is the successful bidder, shall be conclusively deemed to be the fair market value.

Each Guarantor consents and agrees that a Lender shall be under no obligation to marshall any assets in favor of such Guarantor or any Affiliated Group of which it is a member against or in payment of any or all of the Liabilities.

6. The Guarantors further agree that this Guaranty constitutes a guaranty of payment and not of collection and they waive any right to require that any resort be had by any Lender to (i) any security held by any Lender for payment of all or any part of the Liabilities, (ii) any other monetary obligations to any Lender of any of Southeastern, any Additional Guarantor (as defined in Section 10) or the Guarantors, in their capacities as guarantors of the Liabilities or otherwise, or (iii) any Lender's rights against any other guarantor of the Liabilities.

7. The obligations of the Guarantors hereunder shall not be subject to any reduction, limitation, impairment or termination for any reason, including, without limitation, any claim of waiver, release, surrender, alteration or compromise, and shall not be subject to any defense (other than payment) or setoff, counterclaim, recoupment or termination whatsoever by reason of the invalidity, illegality or unenforceability of the provisions of this Guaranty, the Loan Agreements, or any ancillary documents executed in connection therewith or the Liabilities. Without limiting the generality of the foregoing, the obligations of the Guarantors hereunder shall not be discharged or impaired or otherwise affected by the failure of any Lender to assert any claim or demand or to enforce any remedy hereunder or under any Loan Agreement or any of the other Loan Documents, by any default, failure or delay, willful or otherwise, in the performance of the terms and conditions of any Loan Agreement or any of the other Loan Documents, or by any other act or thing or omission or delay to do any other act or thing which may or might in any manner or to any extent vary the risk of the Guarantors, or which would otherwise operate as a discharge of the Guarantors, or any of them, as a matter of law (other than payment).

8. The Guarantors further agree that this Guaranty shall continue to be effective or be reinstated, as the case may be, if at any time payment, or any part thereof, on the Liabilities is required by law or by a court having competent jurisdiction to be rescinded or must otherwise be restored by any Lender upon the bankruptcy or reorganization of any of Southeastern or the Guarantors, or otherwise.

9. (a) Upon payment by any of the Guarantors of any sum to Lenders hereunder, all rights of such Guarantors against any of Southeastern, any Additional Guarantor or the other Guarantors arising as a result thereof by way of right of subrogation, contribution or otherwise shall in all respects be subordinate and junior in right of payment to the prior indefeasible payment in full of all Liabilities.

(b) Upon the occurrence of any payment default under any Loan Agreement that is not cured, or, with the consent of all Guarantors, waived within one hundred twenty (120) days of the occurrence of such default (the “Default Period”), the applicable Lender shall accelerate the Liabilities thereunder in accordance with the remedies provided for in such Loan Agreement. In the event such Lender fails to accelerate such Liabilities within the Default Period, the Guarantors shall have no liability for any interest accruing on such Liabilities for the period extending from the expiration of the Default Period until the date of acceleration of such Liabilities, if any. In the event such Lender accelerates such Liabilities within the Default Period, the Guarantors, subject to the provisions of Section 2 hereof, shall continue to be liable for all interest which has and does accrue on such Liabilities as provided in such Loan Agreement. In

addition, upon the occurrence of a default under any Loan Agreement and acceleration (other than an acceleration due to a bankruptcy event) of the Liabilities thereunder in accordance with the remedies provided for in such Loan Agreement (an "Acceleration Event"), either within or outside of the Default Period, such affected Lender agrees to make written demand upon all Guarantors for payment of such Liabilities within ten (10) business days of such Acceleration Event. Subject to the provisions of Section 8 hereof, upon payment by a Guarantor of its Individual Base Amount and any and all interest, fees and costs of collection accruing with respect thereto as provided in Section 2 hereof, such Guarantor shall be fully discharged from its obligations hereunder.

10. (a) The Guarantors acknowledge and agree that, with or without notice to the Guarantors, the Lenders shall have the right, in their sole discretion, to accept (i) the guaranties of guarantors of the Liabilities other than those listed on Exhibit A hereto (each, an "Additional Guarantor") or (ii) an increase in the existing Individual Base Amount of a Guarantor or an Affiliated Group listed on Exhibit A hereto (each, an "Increasing Guarantor" or an "Increasing Affiliated Group," as the case may be), upon written application in accordance with the following provisions of this paragraph. The addition of an Additional Guarantor or the increase of the Individual Base Amount of a Guarantor or Affiliated Group listed on Exhibit A hereto shall be evidenced by the execution and delivery by such Additional Guarantor or Guarantor of an instrument in the form of Exhibit C hereto. Upon such execution and delivery, any such Additional Guarantor shall become a Guarantor hereunder with the same force and effect as if originally named a Guarantor herein, and upon execution and delivery of such instrument by a Guarantor or Affiliated Group of Guarantors to evidence an increase in the Individual Base Amount of such Guarantor or Affiliated Group of Guarantors, such increase shall be effective and shall be deemed to be an automatic amendment of Exhibit A hereto.

(b) The Guarantors further acknowledge and agree that, without notice to and the prior written consent of the Guarantors, the Lenders shall have the right to release, in whole or in part, a Guarantor (each, a "Released Guarantor") from its obligations under this Guaranty and that release of such Released Guarantor shall in no way release the other Guarantors from any of their obligations hereunder; provided, however, the Lenders shall have no right to release any Guarantor hereunder without the unanimous consent of the Board of Directors of Southeastern.

11. (a) Each Guarantor will maintain its corporate existence and will not liquidate, wind-up or dissolve. No Guarantor will merge or consolidate with any other person, or sell or transfer all or a substantial portion of its assets, unless the continuing or surviving corporation or purchaser of such assets

agrees in writing to fully assume such Guarantor's obligations under this Guaranty.

(b) Notwithstanding the provisions of subsection (a) above, a Guarantor that is a member of an Affiliated Group, as reflected on Exhibit A (a "Permitted Transferor"), may sell or transfer, or cause the sale or transfer of, all or a substantial portion of the assets or stock of one or more of the members of its Affiliated Group, as reflected on Exhibit A, to any Person (a "Permitted Transferee") (such a transaction being referred to as a "Permitted Transfer") and, in lieu of the assumption by the Permitted Transferee of the joint and several obligation of the member of the Affiliated Group being sold or transferred, the following adjustments shall be made:

(i) The Individual Base Amount of the Affiliated Group of which the Permitted Transferor is a member will be reduced by a percentage amount equal to the product of (1) one hundred, multiplied by, (2) a fraction, the numerator of which shall be equal to the aggregate dollar amount of PET Bottle purchases that have been made by the member of the Affiliated Group being sold or transferred during the prior twelve (12) months, and the denominator of which shall be equal to the aggregate dollar amount of the PET Bottle purchases that have been made by all Guarantors during the prior twelve (12) months (the "Transfer Percentage"); provided, however, that in no event shall the Individual Base Amount of the Permitted Transferor's Affiliated Group be less than 75% of its Individual Base Amount in effect on the date of execution and delivery of this Guaranty; and

(ii) The Individual Base Amount to be assumed by the Permitted Transferee shall equal the Individual Base Amount of the Permitted Transferor's Affiliated Group multiplied by the Transfer Percentage (which, in the case of a Permitted Transferee that is a Guarantor, shall be in addition to the Individual Base Amount of such Guarantor then in effect).

12. Nothing contained in this Guaranty shall be deemed to modify or act as a waiver of any of the terms and provisions of any Loan Agreements, including, without limitation, Sections 5.3(A) and 5.3(C) of the Initial Loan Agreement and Sections 6.1 and 6.2 of the Note Agreement.

13. Each Guarantor covenants and agrees with respect to itself only that until the Liabilities are fully paid, performed and discharged and this Guaranty is discharged such Guarantor will provide to each Lender the following:

(a) Annual and Quarterly Statements. (i) Each Guarantor will provide to each Lender within one hundred twenty (120) days after the close of each fiscal year (A) a detailed financial report of such Guarantor or

Affiliated Group, as the case may be, based on Generally Accepted Accounting Principles applied on a consistent basis and containing an unqualified opinion or opinion otherwise acceptable to Lenders of independent certified public accountants of nationally recognized standing or other independent certified public accountants acceptable to Lenders, or (B) such other financial information as shall be acceptable to Lenders; and (ii) each Guarantor or Affiliated Group, as the case may be, whose Individual Base Amount is $750,000.00 or greater will provide to each Lender within sixty (60) days after the close of each fiscal quarter (A) a financial report including a balance sheet, cash flow statement and income statement, or (B) such other financial information as shall be acceptable to Lenders.

(b) Other Reports. Each of the Guarantors agrees to promptly furnish to each Lender at any time such financial information (in the case of Guarantors whose stock is publicly traded, publicly available financial information) as any Lender may reasonably request from time to time.

14. Each of the Guarantors further represents to each Lender that it has knowledge of Southeastern's financial condition and affairs and represents and agrees that it will keep itself so informed while this Guaranty is in force. The Guarantors agree that no Lender shall have any obligation to investigate the financial condition or affairs of Southeastern for the benefit of the Guarantors or to advise the Guarantors of any fact respecting, or any change in, the financial condition or affairs of Southeastern which might come to the attention of such Lender, at any time, whether or not such Lender knows or believes or has reason to know or believe that any such fact or change is unknown to the Guarantors, or any of them, or might (or does) materially increase the risk of the Guarantors as guarantor or might (or would) affect the willingness of the Guarantors, or any of them, to continue as guarantors with respect to the Liabilities.

15. (a) NO PERSON SHALL HAVE ANY RIGHT TO RELY UPON THE PROVISIONS OF THIS GUARANTY WITHOUT THE EXPRESS PRIOR WRITTEN CONSENT OF THE LENDERS AND UNLESS SUCH WRITTEN CONSENT IS PROVIDED BY THE LENDERS, NO OTHER PERSON SHALL BE CONSIDERED A LENDER HEREUNDER. ANY SUCH WRITTEN CONSENT PROVIDED BY THE LENDERS SHALL BE LIMITED TO THE PRINCIPAL AMOUNT AND OTHER MATERIAL TERMS OF THE PROSPECTIVE LOAN AGREEMENT AS CERTIFIED IN WRITING TO THE LENDERS AT THE TIME SUCH CONSENT IS GIVEN, OR IN THE CASE OF THE INITIAL LOAN AGREEMENT AND THE NOTE PURCHASE AGREEMENT, AS IN EFFECT ON THE DATE OF THE EXECUTION OF THIS GUARANTY AS SPECIFIED IN THE ACKNOWLEDGMENT AND CONSENT OF PURCHASER AND TCB ATTACHED HERETO, AND THIS GUARANTY SHALL NOT BE EFFECTIVE WITH RESPECT TO ANY INCREASE IN THE AMOUNT EVIDENCED BY SUCH LOAN AGREEMENT OR LOAN AGREEMENT MODIFIED BY ANY OTHER MATERIAL AMENDMENT OR MODIFICATION

OF SUCH LOAN AGREEMENT ENTERED INTO WITHOUT THE EXPRESS PRIOR WRITTEN CONSENT OF THE LENDERS.

(b) IN ADDITION TO THE CONSENT REQUIRED BY SUBSECTION (a) ABOVE, NO PERSON SHALL HAVE ANY RIGHT TO RELY UPON THE PROVISIONS OF THIS GUARANTY WITH RESPECT TO ANY OBLIGATIONS OF SOUTHEASTERN CREATED UNDER ANY LOAN AGREEMENT OTHER THAN A PREAPPROVED LOAN AGREEMENT OR WITH RESPECT TO ANY LOAN AGREEMENT AS AMENDED OR MODIFIED BY ANY AMENDMENT OTHER THAN A PREAPPROVED AMENDMENT UNLESS SUCH PERSON SHALL HAVE OBTAINED THE EXPRESS PRIOR WRITTEN CONSENT OF THE GUARANTOR COMMITTEE TO SUCH LOAN AGREEMENT OR AMENDMENT OR MODIFICATION. EACH OF THE GUARANTORS HEREBY AGREES TO BE BOUND BY ANY SUCH WRITTEN CONSENT OF THE GUARANTOR COMMITTEE.

(c) Each reference herein to any Lender shall be deemed to include its successors and assigns, in whose favor the provisions of this Guaranty shall also inure. Without limiting the generality of the foregoing sentence, a Lender may assign or otherwise transfer any Liability owing to it to any other person or entity, and such other person or entity shall thereupon become vested with all the rights in respect thereof granted to such Lender herein or otherwise with respect to the Liabilities so transferred or assigned, subject, however, to the compliance with the provisions of the applicable Loan Agreement relating to such assignments. Each reference herein to the Guarantors shall be deemed to include their successors and assigns, all of whom shall be bound by the provisions of this Guaranty. The provisions of this Guaranty are for the benefit of and enforceable by any Lender who is a party to a Loan Agreement under which any Liabilities remain outstanding as of the date such Lender seeks to enforce this Guaranty. Each Guarantor agrees that this Guaranty is intended to secure any and all Loan Agreements executed by Southeastern which specifically reference this Guaranty, and which are approved by the Lenders and, where required, the Guarantor Committee, as provided herein.

16. Any notice shall be conclusively deemed to have been received by a party hereto and be effective on the day on which delivered to such party at the address set forth below or such other address as such party shall specify to the other parties in writing, or if sent prepaid by certified or registered mail on the third day after the day on which mailed, addressed to such party at such address:

(a) if to the Guarantors:

To the address set out opposite the Guarantor's name on Exhibit B hereto.

with a copy to:

Southeastern Container, Inc
1250 Sand Hill Road
Enka, North Carolina 28728

Attention: Manager of Finance

(b) if to TCB:

Trust Company Bank
P.O. Box 4418
Atlanta, Georgia 30302

Attention: Ms. Susan Stall

(c) if to Purchaser:

Teachers Insurance and Annuity
Association of America
730 Third Avenue
New York, New York 10017

Attention: Securities Division

(d) if to any other Registered Noteholder, at the address of such holder as it appears on the Note register maintained by Southeastern.

(e) if to any other Lender(s):

at such addresses as may be provided in the relevant Loan Agreement.

This section shall not be construed in any way to affect or impair any waiver of notice or demand herein provided or to require giving of notice or demand to or upon the Guarantors in any situation or for any reason.

17. No delay on the part of any Lender in exercising any right hereunder or failure to exercise the same shall operate as a waiver of such right; no notice to or demand on the Guarantors shall be deemed to be a waiver of the obligations of the Guarantors or of the right of any Lender to take further action without notice or demand as provided herein, nor in any event shall any modification or waiver of the provisions of this Guaranty be effective unless in writing and signed by the Guarantors and each Lender, nor shall any such waiver be applicable except in the specific instance for which given. All rights of Lenders hereunder or otherwise arising under any documents executed in connection with or as security for the Liabilities are separate and cumulative and may be pursued separately, successively or concurrently, or not pursued, without

affecting or limiting any other right of Lenders and without affecting or impairing the liability of the Guarantors.

18. Each Guarantor, separately and not jointly, agrees to reimburse each Lender for all expenses (including reasonable attorneys' fees) incurred by such Lender in connection with the enforcement of this Guaranty against such Guarantor.

19. THIS GUARANTY IS, AND SHALL BE DEEMED TO BE, A CONTRACT ENTERED INTO, UNDER AND PURSUANT TO THE LAWS OF THE STATE GOVERNING THE RELEVANT LOAN AGREEMENT GUARANTEED HEREBY AND SHALL BE IN ALL RESPECTS GOVERNED, CONSTRUED, APPLIED AND ENFORCED IN ACCORDANCE WITH THE INTERNAL LAWS (AS OPPOSED TO THE CONFLICTS OF LAW PROVISIONS) OF SUCH STATE; AND NO DEFENSE GIVEN OR ALLOWED BY THE LAWS OF ANY OTHER STATE SHALL BE INTERPOSED IN ANY ACTION HEREON UNLESS SUCH DEFENSE IS ALSO GIVEN OR ALLOWED BY THE LAWS OF SUCH STATE.

20. In case any one or more of the provisions contained in this Guaranty should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

21. This Guaranty may be amended, or compliance by a Guarantor with any provision hereof may be waived, only in writing and only with the consent of all Lenders and all Guarantors.

22. This Guaranty may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which, taken together, shall constitute one and the same instrument.

23. AS PART OF THE CONSIDERATION FOR THE FINANCIAL ACCOMMODATIONS EXTENDED TO SOUTHEASTERN BY LENDERS, THE GUARANTORS CONSENT TO THE JURISDICTION OF ANY STATE OR FEDERAL COURT LOCATED WITHIN THE STATES OF GEORGIA OR NEW YORK OR ANY OTHER STATE THE LAWS OF WHICH GOVERN THIS AGREEMENT IN ACCORDANCE WITH SECTION 19 HEREOF, WAIVE TRIAL BY JURY, TO THE EXTENT PERMITTED BY LAW, AND FURTHER WAIVE ANY OBJECTION TO JURISDICTION AND VENUE OF ANY ACTION INSTITUTED HEREUNDER, AND FURTHER AGREE NOT TO ASSERT ANY DEFENSE BASED ON LACK OF JURISDICTION OR VENUE.

24. Subject to the provisions of Section 8 hereof, this Guaranty shall terminate upon the indefeasible payment in full of all Liabilities and the termination of any further commitment to lend pursuant to all Loan Agreements. Upon termination, each Lender shall, upon the request of Southeastern return the original or a copy of this Guaranty to Southeastern marked "cancelled."

25. Each Guarantor represents and warrants to each Lender as follows:

(a) Such Guarantor is a corporation duly organized, validly existing and in good standing under the laws of its respective State of incorporation and has the right and corporate power and is duly authorized and empowered to enter into, execute, deliver and perform this Guaranty.

(b) The execution, delivery and performance by such Guarantor of this Guaranty will not violate, be in conflict with, result in a breach of or constitute (with giving of notice or lapse of time or both) a default under any provision contained in such Guarantor's Articles of Incorporation or Bylaws, any applicable law, the terms of any instrument, document or agreement to which such Guarantor is a party, or by which such Guarantor or any of the property of such Guarantor is bound, or result in the creation or imposition of any lien upon any of the property or assets of such Guarantor.

(c) This Guaranty constitutes a valid and legally binding obligation of such Guarantor, enforceable in accordance with its terms, and no consent or approval or authorization of any governmental authority, bureau or agency is required in connection with the execution, delivery or performance of this Guaranty by such Guarantor, or the validity and enforceability of this Guaranty as to such Guarantor.

(d) There is no pending or threatened action or proceeding affecting such Guarantor before any court, governmental agency or arbitrator which would materially adversely affect the ability of such Guarantor to perform its obligations under this Guaranty.

IN WITNESS WHEREOF, each Guarantor has caused this Guaranty to be duly executed under seal as of the date first above written.

COCA-COLA ENTERPRISES INC.

By: /s/ Illegible

Title: **Senior Vice Precident & CFO**

[Corporate Seal]

Attest: /s/ Illegible

Title: **Assistant Secretary**

COCA-COLA BOTTLING
COMPANY OF MEMPHIS, TENN.

By: /s/ Illegible

Title: **Senior Vice Precident & CFO**

[Corporate Seal]

Attest: /s/ Illegible

Title: **Secretary**

FLORIDA COCA-COLA BOTTLING
COMPANY

By: /s/ Illegible

Title: **Senior Vice Precident & CFO**

[Corporate Seal]

Attest: /s/ Illegible

Title: **Secretary**

DELAWARE COCA-COLA BOTTLING COMPANY, INC.

By: /s/ Illegible

Title: **Senior Vice Precident & CFO**

[Corporate Seal]

Attest: /s/ Illegible

Title: **Secretary**

JOHNSTON COCA-COLA BOTTLING GROUP, INC.

By: /s/ Illegible

Title: **Senior Vice Precident & CFO**

[Corporate Seal]

Attest: /s/ Illegible

Title: **Secretary**

COCA-COLA BOTTLING CO. CONSOLIDATED

By: /s/ Illegible

Title: **VICE PRESIDENT AND C.F.O.**

[Corporate Seal]

Attest: /s/ Illegible

Title: **V P Purchasing**

COCA-COLA BOTTLING COMPANY OF
OF ROANOKE, INC.

By: /s/ Illegible

Title: V P Purchasing

[Corporate Seal]

Attest: /s/ Illegible

Title: **V P Purchasing**

COCA-COLA BOTTLING COMPANY OR
NASHVILLE, INC.

By: /s/ Illegible

Title: **Vice President / Treasurer**

[Corporate Seal]

Attest: /s/ Illegible

Title: **V P Purchasing**

COCA-COLA BOTTLING COMPANY
OF MOBILE, INC.

By: /s/ Illegible

Title: **Vice President / Treasurer**

[Corporate Seal]

Attest: /s/ Illegible

Title: **V P Purchasing**

SUNBELT COCA-COLA BOTTLING COMPANY, INC.

By: /s/ Illegible

Title: **Vice President and C.F.O.**

[Corporate Seal]

Attest: /s/ Illegible

Title: **V P Purchasing**

COCA-COLA BOTTLING COMPANY UNITED, INC.

By: /s/ Illegible

Title: **EX. V. P.**

[Corporate Seal]

Attest: /s/ Illegible

Title: **Secretary**

RODDY COCA-COLA BOTTLING COMPANY

By: /s/ James P. Roddy III

Title: **President & C.O.O.**

[Corporate Seal]

Attest: /s/ Illegible

Title: **Vice President & Secretary**

EASTERN CAROLINA COCA-COLA BOTTLING COMPANY, INC.

By: /s/ Illegible

Title: **Vice President**

[Corporate Seal]

Attest: /s/ Illegible

Title: **Secretary**

DURHAM COCA-COLA BOTTLING COMPANY

By: /s/ Illegible

Title: **President**

[Corporate Seal]

Attest: /s/ Illegible

Title: **Assistant Secretary**

THE COASTAL COCA-COLA BOTTLING COMPANY, INC.

By: /s/ Illegible

Title: **Vice President**

[Corporate Seal]

Attest: /s/ Illegible

Title: **Secretary**

CAMERON COCA-COLA BOTTLING CO.

By: /s/ Illegible

Title: **Pres.**

[Corporate Seal]

Attest: /s/ Illegible

Title: **Controller**

CAROLINA COCA-COLA BOTTLING CO.

By: /s/ Illegible

Title: **Exc. Vice Pres**

[Corporate Seal]

Attest:

Title:

BIG SPRINGS, INC.

By: /s/ Illegible

Title: **President**

[Corporate Seal]

Attest: /s/ Illegible

Title: **Sr. Executive Vice President and Secretary - Treasurer**

COCA-COLA BOTTLING WORKS OF TULLAHOMA, INC.

By: /s/ Illegible

Title: **President**

[Corporate Seal]

Attest: /s/ Illegible

Title: **V.P. and Gen. Mgr.**

SANFORD COCA-COLA BOTTLING CO.

By: /s/ Illegible

Title: **V. P. Secretary**

[Corporate Seal]

Attest: /s/ Illegible

Title: **V P Treas.**

ORANGEBURG COCA-COLA BOTTLING CO.

By: /s/ Illegible

Title: **President**

[Corporate Seal]

Attest: /s/ Illegible

Title: **Vice President**

MIDDLESBORO COCA-COLA BOTTLING WORKS, INC.

By: /s/ Illegible

Title: **President**

[Corporate Seal]

Attest: /s/ Illegible

Title: **Vice President & Treasurer**

ROCK HILL COCA-COLA BOTTLING CO.

By: /s/ Illegible 1-26-93

Title: **President**

[Corporate Seal]

Attest: /s/ Illegible

Title: **Assistant Secretary 1/26/93**

ABERDEEN COCA-COLA BOTTLING COMPANY, INCORPORATED

By: /s/ Illegible

Title: **President**

[Corporate Seal]

Attest: /s/ Illegible

Title: **Assistant Secretary**

COCA-COLA BOTTLING COMPANY
OF NORTHERN NEW ENGLAND, INC.

By: /s/ Illegible

Title: **Vice President**

[Corporate Seal]

Attest: /s/ Illegible

Title: **Vice President**

EXHIBIT A

NAME	STATE OF INCORPORATION	INDIVIDUAL BASE AMOUNT
AFFILIATED GROUP:		$16,961,000
1. COCA-COLA BOTTLING CO. CONSOLIDATED	DELAWARE	
2. COCA-COLA BOTTLING COMPANY OF ROANOKE, INC.	DELAWARE	
3. COCA-COLA BOTTLING COMPANY OF NASHVILLE, INC.	DELAWARE	
4. COCA-COLA BOTTLING COMPANY OF MOBILE, INC.	ALABAMA	
5. SUNBELT COCA-COLA BOTTLING COMPANY, INC.	DELAWARE	
AFFILIATED GROUP:		$50,532,000
1. COCA-COLA ENTERPRISES INC.	DELAWARE	
2. THE COCA-COLA BOTTLING COMPANY OF MEMPHIS, TENN.	DELAWARE	
3. FLORIDA COCA-COLA BOTTLING COMPANY	TENNESSEE	
4. DELAWARE COCA-COLA BOTTLING COMPANY, INC.	DELAWARE	
5. JOHNSTON COCA-COLA BOTTLING GROUP, INC.	DELAWARE	
COCA-COLA BOTTLING COMPANY UNITED, INC.	ALABAMA	$ 3,483,000
RODDY COCA-COLA BOTTLING COMPANY	TENNESSEE	1,616,000
EASTERN CAROLINA COCA-COLA BOTTLING COMPANY, INC.	NORTH CAROLINA	664,000
BIG SPRINGS, INC.	DELAWARE	468,000

THE COASTAL COCA-COLA BOTTLING COMPANY	SOUTH CAROLINA	620,000
CAROLINA COCA-COLA BOTTLING CO.	SOUTH CAROLINA	488,000
DURHAM COCA-COLA BOTTLING COMPANY	DELAWARE	658,000
COCA-COLA BOTTLING WORKS OF TULLAHOMA, INC.	TENNESSEE	442,000
MIDDLESBORO COCA-COLA BOTTLING WORKS, INC.	KENTUCKY	75,000
ORANGEBURG COCA-COLA BOTTLING CO.	SOUTH CAROLINA	106,000
ROCK HILL COCA-COLA BOTTLING CO.	SOUTH CAROLINA	68,000
SANFORD COCA-COLA BOTTLING CO.	NORTH CAROLINA	142,000
ABERDEEN COCA-COLA BOTTLING COMPANY, INCORPORATED	NORTH CAROLINA	38,000
CAMERON COCA-COLA BOTTLING CO.	PENNSYLVANIA	608,000
COCA-COLA BOTTLING COMPANY OF NORTHERN NEW ENGLAND, INC.	DELAWARE	750,000
	TOTAL	$77,719,000

EXHIBIT B

COCA-COLA ENTERPRISES INC.

100 Galleria Pky., Suite 800
Atlanta, GA 30339
Attention: James C. Wardlaw
404/852-7002 Fax 404/852-7012

COCA-COLA BOTTLING OF MEMPHIS

100 Galleria Pky., Suite 800
Atlanta, GA 30339
Attention: James C. Wardlaw
404/852-7002 Fax 404/852-7012

FLORIDA COCA-COLA BOTTLING CO.

100 Galleria Pky., Suite 800
Atlanta, GA 30339
Attention: James C. Wardlaw
404/852-7002 Fax 404/852-7012

DELAWARE COCA-COLA BOTTLING COMPANY, INC.

100 Galleria Pky., Suite 800
Atlanta, GA 30339
Attention: James C. Wardlaw
404/852-7002 Fax 404/852-7012

JOHNSTON COCA-COLA BOTTLING GROUP, INC.

100 Galleria Pky., Suite 800
Atlanta, GA 30339
Attention: James C. Wardlaw
404/852-7002 Fax 404/852-7012

COCA-COLA BOTTLING CO. CONSOLIDATED

P.O. Box 31487
4901 Chesapeake Drive 28216
Charlotte, N. C. 28231
Attention: Michael A. Perkis
704/551-4535 Fax 704/551-4646

COCA-COLA BOTTLING COMPANY OF ROANOKE, INC.

P.O. Box 31487
4901 Chesapeake Drive 28216
Charlotte, N. C. 28231
Attention: Michael A. Perkis
704/551-4535 Fax 704/551-4646

COCA-COLA BOTTLING COMPANY OF NASHVILLE, INC.

P.O. Box 31487
4901 Chesapeake Drive 28216
Charlotte, N. C. 28231
Attention: Michael A. Perkis
704/551-4535 Fax 704/551-4646

COCA-COLA BOTTLING COMPANY OF MOBILE, INC.

P.O. Box 31487
4901 Chesapeake Drive 28216
Charlotte, N. C. 28231
Attention: Michael A. Perkis
704/551-4535 Fax 704/551-4646

SUNBELT COCA-COLA BOTTLING COMPANY, INC.

P.O. Box 31487
4901 Chesapeake Drive 28216
Charlotte, N. C. 28231
Attention: Michael A. Perkis
704/551-4535 Fax 704/551-4646

COCA-COLA BOTTLING COMPANY UNITED, INC.

P.O. Box 2006
4600 East Lake Blvd.
Birmingham, Alabama 35201
Attention: Elbert Mullis
205/841-2653 Fax 205/849-4679

RODDY COCA-COLA BOTTLING COMPANY

P.O. Box 50338
5723 Middlebrooke Pike 37921
Knoxville, Tennessee 37950
Attention: William J. Mitchell
615/558-3000 Fax 615/558-3327

EASTERN CAROLINA COCA-COLA BOTTLING CO. INC.

P.O. Box 24
Goldsboro, N. C. 27530
Attention: George W. Tennille
919/735-2653 Fax 919/736-0781

DURHAM COCA-COLA BOTTLING COMPANY

P.O. Box 2627
3214 Hillsborough Rd.
Durham, N. C. 27705
Attention: M. Hager Rand
919/383-1531 Fax 919/382-8793

THE COASTAL COCA-COLA BOTTLING COMPANY, INC.

P.O. Box 1029
Marion, S. C. 29571
Attention: Cyrus T. Sloan, Jr.
803/773-3336 Fax 803/773-3040

CAMERON COCA-COLA BOTTLING CO.

P.O. Box 814
124 W. Maiden St.
Washington, PA 15301
Attention: Gen Cameron Wilson
412/222-7700 Fax 412/223-0101

CAROLINA COCA-COLA BOTTLING COMPANY

P.O. Box 1150
712 E. Liberty Street
Sumter, S. C. 29150
Attention: A. T. Heath, III
803/773-3336 Fax 803/773-3040

COCA-COLA BOTTLING COMPANY OF NORTHERN NEW ENGLAND, INC.

One Executive Park Drive
Bedford, New Hampshire 03110
Attention: John F. Palermo
603/627-0627 Fax 603/627-1166

BIG SPRINGS, INC.

P.O. Box 2709
514 Clinton Avenue 35801
Huntsville, Alabama 35804
Attention: Jerry Thomas
205/433-9450 Fax 205/533-6151

COCA-COLA BOTTLING WORKS OF TULLAHOMA, INC.

P.O. Box 1750
1502 E. Carroll
Tullahoma, Tennessee 37388
Attention: J. Steven Ennis
615/455-3466 Fax 615/455-4998

SANFORD COCA-COLA BOTTLING CO.

P.O. Box 1207
1605 Hawkins Avenue Sanford, N. C. 27330
Attention: Charles Ingram
919/774-4111 Fax 919/774-3318

ORANGEBURG COCA-COLA BOTTLING CO., INC.

P.O. Box 404
Highway 601 North
Orangeburg, S. C. 29115
Attention: Jim Avinger
803/534-5492 Fax 803/534-8890

MIDDLESBORO COCA-COLA BOTTLING WORKS, INC.

P.O. Box 1468
1324 Cumberland Avenue
Middlesboro, Ky 40965
Attention: Neil G. Barry
606/248-2660 Fax 606/248-2660

ROCK HILL COCA-COLA BOTTLING COMPANY

P.O. Box 2555CRS
520 Cherry road
Rock Hill, S. C. 29731
Attention: W. M. Mauldin, Jr.
803/328-2406 Fax 803/328-6906

ABERDEEN COCA-COLA BOTTLING COMPANY, INCORPORATED

P.O. Box 518
203 West South Street
Aberdeen, N. C. 28315
Attention: Alan Moon
919/944-2305 No Fax

EXHIBIT C

SUPPLEMENT
TO
GUARANTY AGREEMENT

THIS SUPPLEMENT TO GUARANTY AGREEMENT (this "Supplement to Guaranty Agreement"), dated as of _____ , 19 _____, made by _____, a _____ corporation (the "Additional Guarantor"), in favor of TRUST COMPANY BANK, a Georgia banking corporation ("TCB"), TEACHERS INSURANCE AND ANNUITY ASSOCIATION OF AMERICA (the "Purchaser"), so long as it shall hold any of the Notes referred to below, all other Registered Noteholders (as this and other capitalized terms used herein without definition are defined pursuant to Section 1 below) and the other Lenders;

W I T N E S S E T H:

WHEREAS, Southeastern Container, Inc., a North Carolina corporation ("Southeastern") has entered into a Loan Agreement, dated as of August 30, 1990, with TCB (the "Initial Loan Agreement"), providing for certain loans from TCB to Southeastern;

WHEREAS, Southeastern has also entered into a Note Purchase Agreement, dated as of August 30, 1990, with Purchaser (the "Note Agreement") pursuant to which Southeastern issued and sold to Purchaser $25,000,000 in aggregate principal amount of Southeastern's 10.15% Senior Secured Notes due August 1, 2000 (together with all Notes issued in substitution or exchange therefor in accordance with the terms of the Note Agreement, the "Notes"), the entire principal amount of which remains outstanding on the date hereof;

WHEREAS, Southeastern anticipated that it may become necessary in the future to amend the Initial Loan Agreement or the Note Agreement or from time to time to enter into other loan agreements (together with the Initial Loan Agreement and the Note Agreement and solely to the extent that Lenders have consented to such loan agreements in writing in accordance with the terms of Section 15 of the Guaranty (as defined below), the "Loan Agreements") relating to extensions of credit being made in connection with a variety of transactions, including without limitation, revolving credits, committed or uncommitted lines of credit, term loans, letter of credit facilities, swap agreements, receivables purchase agreements, note purchase agreements, bond indentures and repurchase agreements;

WHEREAS, certain of the stockholders and participating patrons of Southeastern agreed to guarantee a portion of the obligations of Southeastern pursuant to the Loan Agreements up to a stated principal amount pursuant to the terms of that certain Amended and Restated Guaranty Agreement dated as of January 31, 1993 made by each of the parties listed on the signature pages thereto (collectively, the "Guarantors") for the benefit of the Lenders (the "Guaranty");

WHEREAS, it is a condition to its status as a stockholder and/or participating patron of Southeastern that the Additional Guarantor becomes a party to the Amended and Restated Guaranty;

WHEREAS, Additional Guarantor benefits from the extensions of credit made by the Lenders to Southeastern and wishes to execute and deliver to the Lenders this Supplement to Guaranty Agreement;

NOW, THEREFORE, in consideration of the premises and in order to induce the Lenders to make the loans to Southeastern pursuant to the Loan Agreements, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Additional Guarantor hereby agrees as follows:

I. **Defined Terms.** Capitalized terms not otherwise defined herein which are used in the Guaranty are used herein with the meanings specified for such terms in the Guaranty.

II. **Additional Guarantor.** The Additional Guarantor agrees that it shall be and become a Guarantor for all purposes of the Guaranty and shall be fully liable thereunder to the Lenders and other Guaranteed Parties to the same extent and with the same effect as though the Additional Guarantor had been one of the Guarantors originally executing and delivering the Guaranty subject to the limitations set forth in Section 2 of the Guaranty. All references in the Guaranty to "Guarantors" or any "Guarantor" shall be deemed to include and to refer to the Additional Guarantor.

III. **Individual Base Amount.** In the event that the Additional Guarantor executing this Supplemental Guaranty is already a party to the Guaranty, such Additional Guarantor is executing this Supplemental Guaranty to evidence the increase of its Individual Base Amount to the Individual Base Amount set forth on the signature page hereof.

IV. **Governing Law; Submission to Jurisdiction; Waiver of Jury Trial**.

A. THIS SUPPLEMENT TO GUARANTY SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE GOVERNING THE RELEVANT LOAN AGREEMENT GUARANTEED HEREBY (WITHOUT GIVING EFFECT TO THE CONFLICT OF LAW PRINCIPLES THEREOF).

B. AS PART OF THE CONSIDERATION FOR THE FINANCIAL ACCOMMODATIONS EXTENDED TO SOUTHEASTERN BY THE LENDERS, THE ADDITIONAL GUARANTOR CONSENTS TO THE JURISDICTION OF ANY STATE OR FEDERAL COURT LOCATED WITHIN THE STATES OF GEORGIA OR NEW YORK, OR ANY OTHER STATE THE LAWS OF WHICH GOVERN THIS AGREEMENT IN ACCORDANCE WITH SECTION 19 HEREOF, WAIVES TRIAL BY JURY, TO THE EXTENT PERMITTED BY LAW, AND FURTHER WAIVES ANY OBJECTION TO JURISDICTION AND VENUE OF ANY ACTION INSTITUTED HEREUNDER OR UNDER THE GUARANTY, AND FURTHER AGREES NOT TO ASSERT ANY DEFENSE BASED ON LACK OF JURISDICTION OR VENUE.

IN WITNESS WHEREOF, the Additional Guarantor has caused this Supplement to Guaranty to be duly executed and delivered under seal by its duly authorized officers as of the date first above written.

Address for Notices:

_____

_____

_____

_____

Attn: _____

INDIVIDUAL BASE
AMOUNT:

ADDITIONAL GUARANTOR:

_____

By: _____

Title: _____

Attest: _____

Title: _____

[CORPORATE SEAL]

ACKNOWLEDGMENT AND CONSENT

TRUST COMPANY BANK, a Georgia banking corporation ("TCB") and TEACHERS INSURANCE AND ANNUITY ASSOCIATION OF AMERICA ("Teachers") hereby agree as follows in connection with that certain Amended and Restated Guaranty dated as of even date herewith, attached hereto and incorporated by this reference (the "Guaranty"; all terms used herein without definition shall have the meanings set forth in the Guaranty):

(1) TCB hereby represents and warrants to Teachers that the Initial Loan Agreement is in full force and effect as of the date hereof and has not been amended, modified or supplemented in any material respect. As of the date hereof, TCB is the sole lender pursuant to the Initial Loan Agreement and the Initial Loan Agreement provides for a revolving credit commitment in favor of Southeastern in an aggregate principal amount not to exceed $15,000,000, although Teachers acknowledges and agrees that TCB and Southeastern are in the process of amending and restating the Initial Loan Agreement to provide for revolving credit commitments and a working capital commitment to Southeastern in the aggregate principal amount of $30,000,000, which Teachers will be requested to consent to pursuant to the terms of the Guaranty.

(2) Teachers hereby represents and warrants to TCB that the Note Agreement is in full force and effect as of the date hereof and has not been amended, modified or supplemented in any material respect. As of the date hereof, Teachers is the sole noteholder pursuant to the Note Agreement and the principal amount outstanding pursuant to the Note Agreement is equal to $25,000,000.

(3) Based upon the foregoing, each of TCB and Teachers acknowledges and agrees that the Initial Loan Agreement and the Note Purchase Agreement shall each constitute a "Loan Agreement" pursuant to the terms of the Guaranty and each of TCB and Teachers shall constitute a "Lender" pursuant to the term of the guaranty entitled to the benefits thereof.

(4) As of the date hereof, each of TCB and Teachers acknowledges and agrees that the Initial Guaranties are superseded and replaced by the Guaranty.

IN WITNESS WHEREOF, each of the undersigned has caused this Acknowledgment and Consent to be duly executed as of this 15th day of July, 1993.

TRUST COMPANY BANK

By: /s/ Illegible

Title: **AVP**

By: /s/ Illegible

Title: **VP**

TEACHERS INSURANCE AND ANNUITY ASSOCIATION OF AMERICA

By: /s/ Illegible

Title: **Illegible**

Exhibit 10.11

MANAGEMENT AGREEMENT

This Management Agreement (**"Agreement"**) made and entered into this ____ day of May, 1994, by and among Coca-Cola Bottling Co. Consolidated, a Delaware corporation (**"Manager"**) and South Atlantic Canners, Inc., a South Carolina corporation (**"SAC"**).

W I T N E S S E T H :

By this Agreement, SAC intends to retain Manager for the purpose of managing its day to day operations as is more fully described in the Agreement. Manager has managerial expertise, knowledge of the industry, access to certain raw materials, and other capabilities which indicate that its services will be beneficial to SAC and its membership. Under this Agreement, it is anticipated that Manager will supervise day to day operations without material interference from the SAC Board of Directors (**"SAC Board"**) and that the SAC Board will generally perform the typical board functions of supervising the performance of management and establishing policy for SAC. The parties recognize, however, that the SAC Board has a legal obligation to SAC and its membership to oversee and direct the operations of SAC and nothing contained in this Agreement shall remove from the SAC Board its obligations or ability to direct the business and affairs of SAC. It is anticipated that a smooth working relationship will be established through the adoption each year of an annual business plan (**"Annual Business Plan"**), under which Manager can perform its responsibilities as described herein.

The parties believe that the efficiencies to be derived from Manager's supervisory capabilities and the additional purchasing volume Manager brings to SAC in its capacity as a member will prove to be beneficial to Manager and to SAC's membership in general.

NOW, THEREFORE, in consideration of the mutual promises, obligations and agreements contained herein, the parties hereto, intending to be legally bound, do hereby agree as follows:

Section 1. Definitions.

1.01 Defined Terms. The following terms shall have the meanings set forth in the Section of this Agreement indicated below:

Defined Term	Section
Agreement	Preamble
Annual Business Plan	Preamble
Claimant	Section 10.03(a)
Claim	Section 10.02
CPI	Section 6.01

SAC Bank Account	Section 6.03(d)
Disclosing Party	Section 9.04
Effective Date	Section 8.01
Environmental Manager	Section 3.01(c)(4)
Environmental Laws	Section 3.01(c)(4)(i)
Expansion	Section 3.01(c)(3)
Facility	Section 2.01
FICA	Section 3.02
FUTA	Section 3.02
Indemnitee	Section 10.02
Losses	Section 10.02
Manager	Preamble
Manager's Corporate Offices	Section 3.01
Manager Employee(s)	Section 3.01(c)(2)
Management Fee	Section 6.01
Notified Party	Section 10.03(a)
Physical Case	Section 6.01
Proposed Budget	Section 3.01(a)(2)
Receiving Party	Section 9.04
Reimbursable Expenses	Section 6.02
Rules	Section 10.02
SAC	Preamble
SAC Board	Preamble
SAC Business	Section 2.01
SAC Employee(s)	Section 3.01(c)(2)
SAC Executive Committee	Section 3.01(a)(5)
Summary of Major Operational and Business Items	Section 3.01(a)(2)
Term	Section 8.02

Section 2. Appointment of Manager.

2.01 Appointment of and Acceptance by Manager. SAC hereby appoints and retains Manager for the purpose of managing SAC's canning, bottling, and other soft drink packaging operations (the **"SAC Business"**), effective as of the Effective Date, and authorizes Manager to supervise, direct and control the day-to-day operation of the SAC Business at 601 Cousar Street, Bishopville, South Carolina (the **"Facility"**) in accordance with this Agreement. In the appointment of Manager to handle day to day operations hereunder, both SAC and Manager understand and agree that the business and affairs of SAC shall be under the direction and control of the SAC Board, and Manager agrees to carry out the policies and directives of the SAC Board. Manager hereby accepts this appointment and agrees to perform its duties in accordance with this Agreement.

2.02 Standards of Performance. In providing services under this Agreement, Manager shall give the care and attention to its responsibilities that a reasonable business manager in its position would be expected to give. Manager agrees to provide and employ a sufficient number of personnel with adequate

training and experience to perform such duties competently and in a businesslike manner in such a way as to cause the operations of SAC to be carried on efficiently and in the best interests of SAC. In its capacity as Manager under this Agreement, Manager shall perform its duties in good faith and shall loyally seek to promote the best interests of SAC. Manager shall perform in a timely and cooperative manner.

2.03 Non-exclusive Service. It is understood and agreed that nothing in this Agreement shall confer upon SAC an exclusive right to Manager's service. Manager may contract with others for the provision of expertise and services similar to those to be provided to SAC as contemplated herein.

2.04 Services to be Performed by SAC's Officers and Others. SAC will continue to have as corporate officers a President, a Secretary and such other officers as may be determined by the SAC Board, who shall perform such functions as the SAC Board may assign to them. Nothing in this Agreement shall prevent SAC from obtaining services from others which are not assigned to Manager under Sections 3 and 4 of this Agreement.

Section 3. Services and Responsibilities of Manager.

3.01 Primary Services and Responsibilities. Within the scope of the authority granted to it under this Agreement and subject to any limitations provided herein, Manager will undertake to manage SAC in a manner such that it may meet its operating requirements. It is anticipated by the parties that, during an interim transition period--from the Effective Date until Manager determines that it is in a position to perform the administrative functions itself (but not later than September 1, 1994), Manager will primarily supervise the administrative services included herein and performed at the Facility and that, following such transition period, Manager will perform such functions primarily at Manager's Corporate Offices located at Rexford Road, Charlotte, North Carolina (**"Manager's Corporate Offices"**). Manager is hereby authorized to and shall provide the following services or cause the following services to be performed:

(a) Annual Business Plan. Manager will develop (from the information provided by SAC members) an Annual Business Plan to be adopted by the SAC Board prior to the beginning of each fiscal year with such changes as the SAC Board deems necessary.

(1) Adoption. Manager will present the proposed plan to the SAC Board no later than thirty (30) days prior to the beginning of SAC's fiscal year that is the subject of such projections. In the event information necessary to complete such projections are not furnished to Manager, Manager will present projections utilizing the provided information plus reasonable estimates for the unprovided information, which will be based on

the prior year's information plus 3%, as adjusted for changes made during the year and other changes reasonably anticipated by Manager. As soon as practicable after the Effective Date, Manager will submit to the SAC Board for approval a business plan for the interim period of SAC's 1994 fiscal year commencing the effective date hereof and ending on August 31, 1994. It is anticipated that this interim period business plan will essentially be a continuance of SAC's current business plan for its 1993-94 fiscal year. SAC shall deliver a copy of each Annual Business Plan, and the interim period business plan for the 1993-94 year, to Manager as soon as practicable following adoption thereof by SAC Board.

(2) General Contents. Manager's proposed Annual Business Plan will contain a proposed annual budget (**"Proposed Budget"**), a summary of major operational and financial items (**"Summary of Major Operational and Business Items"**) projected for the year in sufficient detail for the SAC Board to determine the nature and extent of proposed operations, an estimate of the Management Fee and Reimbursable Expenses SAC will be asked to pay to Manager for the year, and such other items as the SAC Board may request.

(3) Projections, Developments, and Anticipated Events. The Proposed Budget will contain annual projections of volume, estimated operating revenues based upon pricing at the end of the previous fiscal year, required capital expenditures, operating expenses and cash flow, and the presentation of items will show a breakdown of each item for each of SAC's operating allocation units (cans, bottles, etc.). The Summary of Major Operational and Business Items will include a description of proposed activities in areas for which Manager has operational responsibility under Section 3.01(c), a description of significant developments relating to the business and financial items for which Manager has responsibility under Section 3.01(b), and a description of other major operational and business items, if any, which Manager reasonably anticipates for the upcoming year.

(4) Effect of Not Adopting Business Plan Prior to the Commencement of the Fiscal Year. If the SAC Board has not adopted an Annual Business Plan prior to the commencement of any fiscal year, Manager shall continue to provide management functions for SAC based upon the most recently adopted Annual Business Plan (or interim period business plan for the 1993-94 fiscal year, if that is the most recently adopted business plan), until such time as a new Annual Business Plan is adopted and takes effect for such fiscal year; provided, however, that (i) any CPI increases that will be due as part of the Management Fee under Section 6.01 for the new fiscal year and (ii) any previously approved increase in a normal, recurring operating expense (such as, employee compensation) since the adoption of

the most recent Annual Business Plan will take effect with the beginning of such year.

(5) **Performance of Services Under the Annual Business Plan and Deviations Therefrom.** In performing its services under this Agreement, Manager shall follow the Annual Business Plan adopted for the fiscal year, unless otherwise directed by the SAC Board. If Manager encounters a business situation which will require it to deviate from the Annual Business Plan or it discovers that it or SAC has inadvertently deviated from the plan, it shall immediately consult with the Executive Committee of the SAC Board (**"SAC Executive Committee"**) about the situation and obtain approval for such deviation. If approval is given by the SAC Executive Committee, Manager shall be allowed to continue with such deviation until the next meeting of the SAC Board at which time the SAC Board can consider the matter. If the SAC Executive Committee does not approve of the deviation, the matter will immediately be brought to the attention of the SAC Board.

(b) **Business/Finance.** Manager will be responsible for accounting, tax, treasury and internal policy auditing services in connection with the financial management of the SAC Business.

(1) **Contracts.** Manager shall have the right to enter into contracts in the ordinary course of business in accordance with the Annual Business Plan and thereby bind SAC; provided, however, that the SAC Board may set size limitations above which approval of the SAC Board is required.

(2) **Treasury Management.** Manager will provide necessary treasury management services for SAC including the arrangement and administration of financings (subject to SAC Board approval) and bank transactions and cash management services including receipt of and responsibility for all income realized by SAC and disbursement of funds for satisfaction of the debts, obligations and expenses of SAC and for distributions of patronage dividends as determined by the SAC Board.

(3) **Accounting.** Manager will maintain accounting systems and records for SAC which shall be sufficiently separate from Manager's other accounts for the SAC Board to have full access to its accounts without raising questions about the confidentiality of Manager's files. Manager shall provide the following functions or prepare the following reports:

(i) Accounts receivable, credit and collections including credit approval, billing, collection and cash application, as necessary.

(ii) Accounts payable functions including check writing and accounting for paid expense and capital items.

(iii) General accounting functions including maintenance of general ledger and monthly financial reporting to the SAC Board.

(iv) Fixed asset record maintenance and accounting.

(v) Annual budgets.

(vi) Monthly reports to the SAC Board (i) comparing actual operating and capital expenditures to those budgeted and set forth in the Annual Business Plan, (ii) detailing significant management actions taken by Manager, and (iii) such other matters as the SAC Board may request.

(4) Taxes. Manager shall handle the federal, state and local tax reporting and filing as well as the implementation of tax planning strategies relating to federal, state and local taxes and user fees. Manager will also handle any required tax audits and maintain all Department of Transportation files and furnish copies of federal income tax returns to the SAC Executive Committee prior to the filing of such returns.

(5) Internal Policy Audit. Manager will provide internal auditing services for monitoring compliance with SAC policies and procedures as Manager deems necessary.

(c) Operations. The major operational responsibilities of Manager shall be in the areas of Manufacturing and Purchasing; Human Resources; Fleet, Transportation and Facility Administration; Environmental Services; Data Processing and Risk Management as follows:

(1) Manufacturing and Purchasing. Manager will oversee the manufacturing of products which meet franchise company specifications and will deliver all products within reasonable age standards as established by the SAC Board. The initial product age and quality standards to be met by Manager are described in **Exhibit A** hereto. Manager will select and negotiate with vendors and purchase or, if in the best interest of SAC, lease on SAC's behalf all capital equipment from such vendors. If Management selects itself as a vendor or lessor to SAC under this paragraph, this arrangement must be disclosed to and approved by the SAC Board. Manager will, on behalf of SAC, procure all raw materials, supplies, utilities and services which are required for or incidental to, the operations of the SAC

Business. Manager will use its best efforts to make such procurement on a basis similar to that which is available to Manager; provided, however, that both Manager and SAC hereby acknowledge that differences may arise with respect to prices of concentrates and syrup or as a result of different specifications, sources of supply and freight costs.

(2) Human Resources.

(i) Manager shall have responsibility for supervising employees of SAC **("SAC Employees")** and any employees of Manager providing services for SAC **("Manager Employees")** under this Agreement. All such management and supervision by Manager for employees at the Facility shall be within the parameters established in the Annual Business Plan. Manager shall provide overall pay and benefit administration for SAC Employees (if any) and Manager Employees in accordance with the Annual Business Plan. Any necessary labor contract negotiations will be performed by Manager, and Manager will handle the administration of any labor contract (including grievance procedures and arbitration) and any labor relations disputes or other labor matters, and the SAC Board will be advised thereof. Manager will have the authority and responsibility to enter into, amend or terminate any employment agreements and consulting and agency agreements relating to SAC; provided, however, that the SAC Board shall determine who shall perform professional accounting and legal services for SAC and set the terms for their employment. To the extent permitted by the Annual Business Plan or otherwise approved by the SAC Board, Manager may supplement SAC with additional Manager Employees. For such purpose, Manager may utilize its employees or employees of a wholly owned subsidiary of Manager which have adequate training and experience to perform their duties competently and in a businesslike manner. Manager shall have the authority to select, employ and terminate all employees performing services for SAC, whether they be SAC Employees or Manager Employees. Manager shall also have the right to substitute one of its employees for a Manager Employee whenever Manager deems such substitution appropriate. Each Manager Employee and SAC Employee shall be subject to all of Manager's applicable employment policies and practices (unless otherwise restricted by union contracts) , and SAC shall not have the right to subject any Manager Employees or SAC Employees to any additional employment policies or practices or other work related rules or regulations (except rules and regulations reasonably related to the health and safety of such employees or required under applicable law) absent Manager's express consent to such action which shall not be unreasonably withheld. Manager shall provide substantially the same job-related education and training to Manager Employees and SAC Employees as Manager provides to its other employees who perform the same or related tasks, and SAC shall reimburse Manager for the cost of the job-related education and training provided by third parties to SAC Employees and Manager Employees. Manager shall compensate

Manager Employees in accordance with Manager's standard compensation policies and practices for employees who perform the same or related tasks subject to regional pay differences. Manager Employees shall be provided with employee benefits no more favorable as a whole than those provided to Manager's other employees performing the same or related tasks in addition to workers' compensation, unemployment compensation and all other benefits which an employer is required to provide for its employees under applicable law. Manager will adopt and enforce Manager's Code of Business Conduct at the Facility.

(ii) In the event this Agreement is terminated or expires, all Manager Employees employed at the Facility at such time shall have the opportunity to be considered for employment by SAC as SAC Employees. SAC shall be entitled to approach all such persons and discuss future employment with SAC, and Manager shall not attempt to retain or continue such persons in its employment until they have first rejected an offer of employment with SAC or otherwise been informed by SAC that they will not be offered employment.

(3) **Fleet, Transportation and Facility Administration.** Manager will provide overall administration of fleet activities including assessment of required fleet expansion or replacement, acquisition of required equipment and direction of preventative maintenance programs in accordance with the Annual Business Plan. Manager will be responsible for the administration of all transportation activities including the receipt of raw materials by or on behalf of SAC and the delivery of full goods to SAC members. Manager will also provide for the administration of all facility activities including preventive and corrective maintenance and expansion. In particular, Manager will oversee the anticipated acquisition and installation of two high speed production lines at the Facility - one generally suited for 2-liter PET bottles and one generally suited for 20-ounce PET bottles (the **"Expansion").** In connection therewith, Manager shall be responsible for the planning, implementation and supervision of the design, construction and start up of the Expansion including the selection of equipment manufacturers, architects, engineers and contractors and the procurement of all necessary permits.

(4) **Environmental Services.** Manager shall provide environmental management services, assigning the administration of those systems to an environmental compliance manager **("Environmental Manager")**. The Environmental Manager will be provided by Manager, and the costs for the Environmental Manager will be born by Manager as part of the Management Fee. It is the responsibility of Manager to determine if all SAC operations at the Facility are in compliance with, or exceed, the requirements of all applicable environmental laws, regulations, statutes,

ordinances and permit conditions ("Environmental Laws"). Any known or suspected exceptions to environmental compliance requirements discovered by the Environmental Manager shall be reported immediately to Manager who, in turn, shall notify the SAC Executive Committee of his findings. SAC Executive Committee shall thereafter notify Manager of actions to be taken and Manager shall, on behalf of SAC, take or cause to be taken such lawful actions as are requested of it by the SAC Executive Committee

(5) **Data Processing**. Manager shall utilize its computer systems to provide computer services required to carry out its responsibilities under this Agreement.

(6) **Risk Management**. Manager shall contract for the purchase of insurance policies on behalf of SAC at coverage levels prescribed by the SAC Board. A list of the initial policies and coverage levels thereunder are set forth in **Exhibit B** hereof. Manager shall, on behalf of SAC, cause such policies (or such other policies which are satisfactory to or required by SAC) to be maintained during the term of this Agreement; provided, however, that subject to maintaining the coverage levels established by the SAC Board, Manager shall, at its discretion, have the authority to select or change insurance carriers, provided such carrier(s) have at least an equivalent insurance company rating.

3.02 Manager's Personnel. All of Manager's personnel providing services hereunder shall be exclusively employed by Manager or its affiliates, and Manager shall have the sole right to determine their conditions of employment, working hours, employment and vacation policies, seniority, promotions and assignments. Manager shall have the exclusive right to hire and fire any such personnel and shall comply with all the laws applicable to the employment of such personnel. Subject to the provisions of Section 6 below, Manager shall be solely responsible for the compensation of the employees and for all withholding taxes, Federal Insurance Contributions Act **("FICA")** and Federal Unemployment Tax Act **("FUTA")** taxes, unemployment insurance, workmen's compensation and any other insurance and fringe benefits with respect to such employees.

3.03 Accounts, Books and Records.

(1) Manager shall maintain separate accounts, books, and records for SAC with respect to services under Sections 3 and 4 of this Agreement, and these accounts, books and records shall be the property of SAC. Manager shall be responsible for maintaining SAC's accounts, books and records in good order and shall maintain them in a way that is sufficiently separate from Manager's own records so that SAC may have access to such documents during regular business hours upon request without

raising an issue of confidentiality with respect to Manager's proprietary information. In the event this Agreement is terminated for any reason or expires, Manager shall return all of SAC' s accounts, books and records in its possession to SAC as provided in Section 8.05.

(2) Manager shall make such of Manager's books and records that relate to the SAC Business, including the pricing of raw materials to the extent such information relates to the SAC Business, available to independent auditors selected by the SAC Board, or such other person or persons who are mutually acceptable to the parties, as is necessary to audit the Management Fee and Expenses charged to SAC and Manager's compliance with its obligations under this Agreement. Such auditors or person(s) shall be bound by a confidentiality agreement not to disclose such information to persons outside SAC or its professional advisors. SAC shall bear the costs of any independent accounting firm engaged by it for the purpose of performing the review described in this paragraph.

3.04 Attendance at Meetings of SAC Board and SAC Executive Committee.

(1) Manager will attend all regularly scheduled meetings of. the SAC Board and all special meetings of the SAC Board at which its attendance is requested as long as Manager has been given reasonable notice of the time and place of the special meeting. At regularly scheduled meetings of the SAC Board, Manager will present a detailed report on operations, including any deviations from the Annual Business Plan, and Manager shall advise the SAC Board of deviations from the Annual Business Plan which it reasonably anticipates in the future. At special meetings of the SAC Board, Manager shall provide such information with respect to the management of SAC as may be reasonably requested by the SAC Board.

(2) It is anticipated that the SAC Executive Committee will meet on a monthly basis. If requested by the SAC Executive Committee, Manager shall attend meetings of the SAC Executive Committee, and provide a verbal report on operations and such other information as may be requested by the SAC Executive Committee. It is anticipated that the monthly meetings of the SAC Executive Committee will provide an opportunity for the parties to discuss SAC's performance on an ongoing basis. It will give Manager a convenient mechanism through which deviations from the Annual Business Plan can be reviewed and approved.

Section 4. Additional Services Provided by Manager.

Manager shall also perform other management functions relating to the SAC Business as may be requested from time to time by the SAC Board and agreed to by Manager, provided that the parties can agree upon a price for such services. If additional

services are requested under this Section, Manager agrees to offer SAC a price or fees (excluding applicable taxes and transportation costs, which shall be charged to SAC at cost) for such services which is no less favorable than those charged by Manager to other entities of a similar size and location; provided, however, that under no circumstances shall Manager charge SAC an amount which is less than Manager's actual cost. If SAC and Manager cannot agree on a price for additional services under this Section, SAC shall be free to obtain such services from others.

Section 5. Board Functions. In addition to SAC Board's general responsibilities of directing the business and affairs of the organization and approving the Annual Business Plan, the responsibilities of the SAC Board will include, but not be limited to, supervising the performance of SAC in accordance with the Annual Business Plan, establishing capital requirements for its members, reviewing and approving long-term business plans, approving major financial undertakings, and supervising the performance of Manager under this Agreement. It will be the SAC Board's responsibility to assure that all costs are fairly allocated (as determined by the Board) to the various products produced at SAC. Product pricing and rebates will be at the discretion of the SAC Board.

Section 6. SAC Payments.

6.01 Management Fee. In consideration for the services to be provided by Manager pursuant to this Agreement, SAC shall pay to Manager a management services fee equal to 15¢ per physical case of bottles and cans, and 15¢ per unit of post mix bag-in-a box as described in **Exhibit C** hereto (each such case or unit quantity of bottles, cans, or post-mix as described in **Exhibit C** being herein referred to for purposes hereof as **"Physical Case/Unit"**) manufactured by SAC from and after the earlier of October 1, 1994 or the completion of the Expansion (the **"Management Fee"**). No Management Fee shall be paid on shipments of bulk syrup. Subject to the provisions of Section 8.02, the Management Fee shall be increased effective as of the beginning of each fiscal year (commencing September 1, 1995) in accordance with the increase in the Urban Wage Earners and Clerical Workers-South-ALL Items consumer price index published by the U.S. Department of Labor (**"CPI"**) for the most recent twelve (12) month period for which statistics are available on January 1 of each year; provided, however that the Management Fee shall not exceed 25¢ per Physical Case/Unit during the Term of this Agreement.

6.02 Reimbursable Expenses. With respect to payments made by Manager from Manager's separate funds, SAC shall reimburse Manager for employees' costs incurred at the Facility and other charges for specific materials or service at the Facility as well as third party fees as long as such costs and charges are within

the ranges established in the Annual Business Plan or otherwise approved by the SAC Board **("Reimbursable Expenses")**.

(a) No Reimbursable Expense other than those described in the Annual Business Plan shall be payable by SAC unless such expense is (1) less than $25,000, or (2) otherwise approved by the SAC Board or Executive Committee; provided, however, that the parties hereto recognize that ordinary operating expenses of the SAC Business paid by Manager on SAC's behalf that exceed amounts budgeted in the Annual Business Plan as a result of an increase in the sales volume shall be reimbursable to the extent such amounts are reasonably incurred.

(b) Manager shall be responsible for administrative costs it incurs to provide managerial services under this Agreement to the extent such services are not performed at the Facility. All functions that are currently being performed by Manager's personnel based at Manager's Corporate Offices will not be considered to be performed at the Facility and will be covered by the Management Fee. These functions are listed in **Exhibit E**. Manager may not shift functions or personnel to the Facility without approval of the SAC Board. Reimbursable Expenses will be included in the Annual Business Plan and are subject to audit at least annually at the request of SAC as provided in Section 3.03 hereof.

(c) The following expenses are examples of direct expenses of SAC to be paid by SAC as provided in the Annual Business Plan or otherwise approved by the Board of Directors. In the event Manager pays direct expenses of this type on SAC's behalf, such expenses shall be Reimbursable Expenses to Manager if the expenses are within the Annual Business Plan or are approved by the SAC Board or SAC Executive Committee:

(1) Entity and On Site Expenses. SAC will incur direct expenses related to its form of entity or the SAC Business in the form of fees or taxes to third parties such as state or local governments. In addition, SAC (or Manager on behalf of SAC) will incur certain expenses directly related to the routine operation of the Facility including the cost of On Site Employees of SAC or Manager. "On Site Employees" shall include all direct and indirect labor as well as management and administrative employees based at the Facility whether such employees are Manager Employees or SAC Employees. Examples of such expenses are set forth on **Exhibit D**.

(2) Miscellaneous Expense. Other reasonable and necessary expenses directly related to SAC's business operations or administration thereof which are set forth on **Exhibit F**.

6.03 Payments, Reconciliation and Reimbursement.

(a) Estimated Management Fee Payments. Subject to the provisions of Section 8.01 hereof, the estimated Management Fee as determined from the Annual Business Plan shall be paid as follows: SAC shall pay to manager on or before the 15th of each month a monthly disbursement equal to the estimated Management Fee allocable for each month as determined from the Annual Business Plan.

(b) Quarterly Reconciliation of Payments. On or before the end of each fiscal quarter, beginning with the second fiscal quarter following the Effective Date, Manager will furnish to SAC a statement reconciling actual Physical Case/Unit sales for the immediately preceding fiscal quarter against the estimated amounts used in determining the amount of the monthly disbursement. For each quarter, the parties shall make a true-up adjustment in such amount as is necessary to ensure that the aggregate estimated monthly payments paid to Manager for the reconciled fiscal quarter are not more than or less than the amounts that would have been paid had the actual Management Fee been known to the parties at the time the monthly advances were paid. Any refund due from Manager to SAC, and any additional payment due from SAC to Manager, as a result of this reconciliation shall upon determination thereof be paid or credited to the appropriate party in connection with the next ensuing payment of the estimated Management Fee.

(c) Reimbursement of Expenses. SAC shall reimburse the Manager for all Reimbursable Expenses. The Manager will provide SAC monthly with a detailed invoice for all expenses reimbursable under this Section 6.03(c). All such invoices shall be due and payable upon receipt thereof.

(d) SAC Bank Account/Check Signing Authority.

(1) The Manager will administer a separate bank account on behalf of SAC **("SAC Bank Account")** into which sales revenue and all other monies of SAC shall be deposited and from which expenses and fees of and distributions from SAC shall be paid. The Manager shall be responsible for maintaining and administering the SAC Bank Account in accordance with this Agreement. With the consent of the SAC Board, Manager may change the financial institution in which the SAC Back Account is held or the branch location of the account.

(2) Within limitations established by the SAC Board, the Manager shall be authorized to sign all checks and drafts and execute all wire transfers for disbursements in satisfaction of all debts, obligations and expenses of SAC and the countersignature of another person shall not be required.

6.04 Management Fee Distinguished from Distributions. All fees and other payments paid by SAC to Manager under this Section

6 shall be treated as expenses of SAC and not part of a patronage distribution paid to Manager by SAC.

Section 7. Obligations of SAC.

7.01 Duties of SAC. To facilitate the performance of Manager's services, SAC agrees to provide the following:

(a) to the extent approved by the SAC Board in the Annual Business Plan, provide or cause to be provided at no charge to Manager sufficient secure building space, furniture, facilities and office equipment to enable Manager's on site personnel to carry out their obligations under this Agreement;

(b) assist Manager in obtaining, or cause to be obtained any permits, applications, authorizations or forms required by or from the federal, state or local governments for the specific services areas;

(c) afford Manager's personnel unlimited and unrestricted access to all areas of the Facility;

(d) cooperate with Manager and direct all SAC personnel (if any) to extend maximum cooperation to Manager in accordance with this Agreement;

(e) use its best efforts to support Manager's requests to SAC members for their estimates of annual volume requirements by brand and package for planning purposes each year and for use in preparing annual budgets;

(f) use its best efforts to support Manager's request to SAC members to provide product orders to Manager in a manner and within time parameters reasonably requested by manager;

(g) if approved by the SAC Board, maintain a revolving line of credit or other financing sufficient in the reasonable judgment of SAC to satisfy SAC's working capital needs; and

In addition, SAC agrees that it will cause the SAC Board or its designee to consider approval of any capital expenditure requiring approval, not otherwise set forth in the Annual Business Plan, no later than fifteen (15) Business Days after receipt of written request for approval from Manager.

Section 8. Term

8.01 Effective Date. This Agreement shall become effective upon the approval by SAC's stockholders of an amendment to SAC's Bylaws which will allow the SAC Board to assign some or all of the management responsibilities for SAC to a person or organization other than the officers of the corporation (the "Effective Date").

8.02 Duration. Unless terminated pursuant to Section 8.03 below, this Agreement shall continue in full force and effect for a term of ten (10) years following the Effective Date (the "Term"). The parties anticipate that they will negotiate an extension of this Agreement during the tenth (10th) year of the Term but acknowledge that neither party shall be bound by the provisions of this Agreement beyond the Term.

8.03 Early Termination. This Agreement shall terminate early as follows:

(a) Breach by Manager.

(1) If at any time Manager shall default in the performance of any of its obligations under this Agreement or otherwise fails to comply in all material respects with policies and directives of the SAC Board, and such default or breach shall continue for a period of ninety (90) days after SAC has given notice to Manager specifying such default or breach and requiring it to be remedied, then SAC shall have the right to terminate this Agreement, provided that SAC has determined in its reasonable business judgment that an alternative manager could have met the performance requirements during the period of Manager's noncompliance, and further provided that the SAC Board requires similar performance requirements of the management it selects to replace Manager.

(2) At the time this Agreement is executed, Manager will become a member of SAC and execute a membership agreement with SAC. At this time, Manager will also sign a purchase agreement with SAC. This purchase requirement will be measured based on an annual year of September 1 to August 31 each year, starting on September 1, 1994. If Manager discontinues its membership or fails to meet its membership requirements in SAC, SAC may terminate this Agreement. If Manager fails to meet its purchase requirements for any year, or it would be clear to a reasonable business person that it cannot or will not meet these requirements for a particular year, SAC may terminate this Agreement.

(3) If the Agreement is terminated under Section 8.03(a), Manager agrees to continue to provide services pursuant to the terms described herein for a reasonable transition period following termination by SAC, if SAC so requests.

(b) Breach by SAC. If at any time SAC shall default in the performance of any of its material obligations under this Agreement and such default or breach shall continue for a period of ninety (90) days after Manager has given notice to SAC specifying such default or breach and requiring it to be remedied, then Manager shall have the right to terminate this Agreement. If the Agreement is terminated under this paragraph, Manager agrees to continue to provide services pursuant to the

terms described herein for a reasonable transition period following termination by Manager, if SAC so requests.

(c) Failure of Expansion to be Completed. If the Expansion shall not have been completed by December 31, 1994, Manager shall have the right at any time thereafter to terminate this Agreement prior to actual completion of the Expansion; provided, however, that Manager's right to terminate under this Section 8.03(c) shall not exist so long as SAC is using its best efforts to complete the expansion by December 31, 1994. Manager shall provide SAC with ninety (90) days notice of a termination under this paragraph.

(d) Bankruptcy Decree. If a decree or order of a court having jurisdiction has been entered adjudicating a party bankrupt, insolvent, or approving a petition seeking reorganization of such party under any bankruptcy act or any similar applicable law, and such decree or order has continued undischarged or unstayed for a period of sixty (60) days; or a decree or order of court having jurisdiction for the appointment of a receiver or liquidator or trustee or assignee in bankruptcy or insolvency of such party or all or substantially all of its property, or for the winding up or liquidation of its affiliates, has been entered, and such decree or order has remained in force undischarged or unstayed for a period of sixty (60) days, then the other party shall have the right to terminate this Agreement by giving the first mentioned party notice to that effect within thirty (30) days after the expiration of such sixty-day period.

(e) Institution of Bankruptcy Proceedings. If a party institutes proceedings to be adjudicated voluntarily bankrupt or consents to the filing of bankruptcy proceedings against it, or files a petition for answer or consent seeking reorganization under any bankruptcy act or similar law or consents to the filing of any petition or consents to the appointment of a receiver or liquidator or trustee or assignee in bankruptcy or insolvency of it, or all or substantially all of its property, or makes a general assignment for the benefit of creditors or admits in writing its inability to pay its debts generally as they become due, then the other party shall have the right to terminate this Agreement by giving the first mentioned party notice to that effect within thirty (30) days after the occurrence of such event.

8.04 Effect of Termination. Upon the termination of this Agreement, this Agreement shall be of no further force and effect, except that the provisions Section 8, 9, 10, and 11 shall continue in full force and effect indefinitely. Upon the termination of this Agreement, SAC shall immediately pay Manager the balance of the Management Fee accrued hereunder to the date of termination and all reimbursable expenses payable to Manager hereunder. Upon termination or expiration of this Agreement, Manager shall immediately return to SAC all of SAC's accounts,

books and records in Manager's possession as well as any other property belonging to SAC, and Manager shall remove all Manager Employees from the Facility and leave the Facility in good order, unless Manager has been requested by SAC to continue to provide services during a reasonable transition period under Sections 8.03 (a) or 8.03 (b) of this Agreement, in which case Manager shall return SAC's property and leave the premises in good order at the end of the transition period.

Section 9. Confidentiality.

9.01 Confidential Information. The parties acknowledge that each of them may be required to disclose Confidential Information to government agencies or authorities by law, upon the advice of counsel, and each shall endeavor to limit disclosure to that purpose. Each Party will give the other prior written notice of any disclosure pursuant to this paragraph, which notice shall specify the substance of any such disclosure.

9.02 Identification. Each party hereto will take appropriate steps to enable the other party hereto to identify the information that should be protected as Confidential Information. Accordingly, each party shall legend or otherwise designate as proprietary any material furnished to the other party which it believes to be Confidential Information. In addition, any Confidential Information that is imparted orally shall be identified as proprietary. Information that is not so identified shall not be considered Confidential Information. Also, information that is generally known or that has been disclosed to a third party by the party claiming confidentiality shall not be considered Confidential Information for purposes of this Agreement.

9.03 Acknowledgment of Confidential Information. Each party recognizes and acknowledges (a) that Confidential Information of the other party may be commercially valuable proprietary products of such party, the design and development of which may have involved the expenditure of substantial amounts of money and the use of skilled development experts over a long period of time and which afford such party a commercial advantage over its competitors; (b) that the loss of this competitive advantage due to unauthorized disclosure or use of Confidential Information of such party may cause great injury and harm to such party; (c) that the restrictions imposed upon the parties under this Agreement are necessary to protect the secrecy of Confidential Information and to prevent the occurrence of such injury and harm.

9.04 Nondisclosure. Each party who receives Confidential Information hereunder (the "Receiving Party") agrees that it will not, without the prior written consent of the party from whom such Confidential Information was obtained (the "Disclosing Party"), disclose, divulge or permit any unauthorized person to

obtain any Confidential Information disclosed by the Disclosing Party (whether or not such Confidential Information is in written or tangible form) for as long as the pertinent information or data remain Confidential Information. The Receiving Party hereby agrees to indemnify and hold harmless the Disclosing Party from and against any and all damage, loss, liability and expense (including, without limitation, reasonable expenses of investigation and reasonable attorneys' fees and expenses) arising from any such unauthorized disclosure by the Receiving Party or its personnel. The Receiving Party agrees that it will use any Confidential Information disclosed by the Disclosing Party hereunder (whether or not such Confidential Information is in written or tangible form) only for purposes of the business of SAC, for as long as the pertinent information or data remain Confidential Information. The Receiving Party hereby agrees to indemnify, defend and hold harmless the Disclosing Party from and against any Loss arising from any such unauthorized disclosure by the Receiving Party or its personnel.

9.05 Security. To protect the Confidential Information of the parties, each party shall adopt basic security measures of the kind commonly observed in industries in the United States of America that rely extensively on proprietary information. Security measures, to the extent appropriate, shall include physical security measures, restrictions on access by unauthorized personnel, use of confidentiality agreements with personnel, legending, systematic segregation, and appropriate record retention systems.

Section 10. Manager's Liability and Indemnification.

10.01 Limitation on Liability. Manager shall not be responsible for any errors in judgment made in good faith in the performance of its duties hereunder; provided, however, that nothing contained herein shall release Manager of any responsibility it may have for claims based on the gross negligence or willful misconduct of Manager.

10.02 Indemnification. To the extent agents of SAC are entitled to indemnification in SAC's Bylaws, SAC shall indemnify and hold Manager and its affiliates, directors, officers, employees and agents (each an **"Indemnitee"**) harmless from any and all liabilities, losses, damages, suits, judgments, fines, demands and expenses (**"Losses"**) arising in connection with the SAC Business (a **"Claim"**); provided, however, that any such Losses arising out of Manager's material breach of this Agreement, gross negligence, fraud or willful misconduct shall be the responsibility of Manager and Manager shall be liable to and indemnify SAC from and against any Losses incurred by SAC as a result thereof.

10.03 Indemnity Procedure for Third Party Claims. The obligations and liabilities of SAC to indemnify an Indemnitee or

Manager to indemnify SAC, as applicable, for third party claims (including those by Manager Employees) under this Section 10 shall be subject to the following terms and conditions:

(a) The person or entity (i.e., SAC, Manager or Indemnitee) making a claim **("Claimant")** will give the party from whom indemnity is sought (**"Notified Party"**) prompt notice of such Claim. The failure to promptly notify a party of any such Claim shall not relieve the party of its obligation hereunder, unless the failure to so notify such party materially prejudices such party's ability to defend such Claim.

(b) Following notice by the Claimant to the Notified Party of a Claim, the Notified Party shall be entitled at its cost and expense to contest and defend such Claim by all appropriate legal proceedings; provided, however, that notice of the intention so to contest shall be delivered by the Notified Party to the Claimant within thirty (30) days from the date of receipt by the Notified Party of notice from the Claimant of the assertion of such Claim. Any such contest may be conducted in the name and on behalf of the Notified Party or the Claimant, as may be appropriate. Such contest shall be conducted diligently by reputable counsel employed by the Notified Party, but the Notified Party shall keep the Claimant fully informed with respect to such Claim and the contest thereof and the Claimant shall have the right to engage its own counsel at its own expense. If the Claimant joins in any such contest, the Notified Party shall have full authority, in consultation with the Claimant, to determine all action to be taken with respect thereto provided, however, that in no event shall the Notified Party have authority to agree to any relief other than the payment of money damages by the Claimant unless agreed to by the Claimant. Each party shall bear its own expense of such representation. If any Claim is asserted and the Notified Party fails to contest and defend such Claim within a reasonable period of time, the Claimant may take such action in connection therewith as the Claimant deems necessary or desirable, including retention of counsel, and the Claimant shall be entitled to indemnification of the costs incurred in connection with such defense.

(c) If requested by the Notified Party, the Claimant shall cooperate with the Notified Party and its counsel, including permitting reasonable access to books and records, in contesting any Claim which the Notified Party elects to contest or, if appropriate, in making any counterclaim against the person asserting the Claim on behalf of Claimant or Notified Party, or any cross-complaint against any person, and the Notified Party will reimburse the Claimant for reasonable out-of-pocket costs (but not the cost of employee time expended) incurred by the Claimant in so cooperating.

(d) The Claimant agrees to afford the Notified Party and its counsel the opportunity to be present at, and to participate in, conferences with all persons, including governmental authorities, asserting any Claim against the Claimant or conferences with representatives or counsel for such persons. Unless the Notified Party approves in writing the settlement of a Claim, no right to indemnification under Section 9.02 shall be established by such settlement.

10.04 Force Majeure. Delay in performance or nonperformance by Manager or SAC shall be excused to the extent such performance is prevented by an Act of God or other event beyond the reasonable control of the nonperforming party.

Section 11. Dispute Resolution.

11.01 Attempts to Resolve. All disputes and differences raised by any party to this Agreement which may arise out of or in connection with or with respect to this Agreement (including but not limited to any rights of indemnification under Section 10 hereof) will be settled as far as possible by means of negotiations between Manager and the SAC Executive Committee. If any such dispute is not resolved by Manager and the SAC Executive Committee within five (5) business days of commencement of negotiations, then either party may submit the dispute to arbitration in accordance with Section 11.02 of this Agreement for a binding resolution thereof.

11.02 Arbitration. Except as provided in Section 11.05 hereof, any dispute, controversy or claim arising out of or relating to this Agreement or the breach, termination or validity thereof which cannot be resolved by the paries pursuant to Section 11.01 hereof shall be settled by arbitration in accordance with the Arbitration Rules of the American Arbitration Association in effect on the date of this Agreement (the "Rules") as modified in this Article. The arbitration shall be held at a site mutually agreeable to the parties.

There shall be three arbitrators of whom each party shall select one within 15 days following respondent's receipt of claimant's notice of arbitration and statement of claim. The two party-appointed arbitrators shall select a third arbitrator to serve as presiding arbitrator within 15 days of the appointment of the second arbitrator. In the event one party fails to appoint an arbitrator within said 15 day period, then the arbitrator that has been selected by the other party shall select a second arbitrator and such arbitrators shall select a third arbitrator to be the presiding arbitrator.

11.03 Claims and Judgments. Within twenty (20) days of the respondent's receipt of the claimant's notice of arbitration and statement of claim, the respondent shall serve the claimant with its statement of defense and any counterclaims. Within twenty

(20) days of claimant's receipt of the respondent's statement of defense and counterclaims, the claimant shall serve its statement of defense to any counterclaims or set-offs asserted by the respondent. The tribunal shall permit and facilitate such prehearing discovery and exchange of documents and information to which the parties in writing agree or which it determines is relevant to the dispute between the parties as is appropriate taking into account the needs of the paries and the desirability of making discovery expeditious and cost-effective. All discovery shall be completed within forty-five (45) days from the date on which the respondent communicates its statement of defense and counterclaims, if any, to the claimant. The hearing shall be held no later than ninety (90) days following the selection of the presiding arbitrator. Any arbitration award shall be rendered in U.S. dollars, with appropriate interest as determined by the tribunal. Judgment on any award shall be entered in any court having jurisdiction thereof.

11.04 Submission to Jurisdiction. For purposes of disputes arising under this Agreement, the parties hereto submit themselves to the jurisdiction of the state and federal courts located in North and South Carolina with respect to the enforcement of any arbitration award. Each of the parties hereby consents to the service of process by registered mail at its address set forth below and agrees that its submission to jurisdiction and its consent to service of process by mail is made for the express benefit of the other party. The arbitration shall be governed by the Federal Arbitration Act, 9. U.S.C. §§ 1-16, 201-208.

11.05 Right to Additional Remedies. Notwithstanding anything to the contrary in this Article, in the event any intellectual property (including Confidential Information) is used in violation of the terms of this Agreement, each party shall be entitled, in addition to the remedy of arbitration set forth herein, to apply immediately to any court of competent jurisdiction for immediate injunctive relief. Each party hereby submits itself to the jurisdiction of the state and federal courts located in North and South Carolina for any such relief or for the enforcement of any arbitration award against such party.

Section 12. Press Release.

The parties hereto shall attempt to consult with each other, when possible, before issuing any press release or otherwise making any public statements with respect to this Agreement and the transactions contemplated hereby and shall not issue any such press release or make any public statement prior to such consultation, except as may be required by law.

Section 13. Independent Status of Parties.

Except-as specifically provided herein, nothing contained in this Agreement shall be construed to constitute a party as agent for the other party. Except as specifically provided herein, neither party shall have the right to bind the other party, transact any business in the other party's name or on its behalf in any manner or form, or to make any promises or representations on behalf of the other party.

Section 14. Assignment.

Neither SAC nor Manager shall assign or transfer any right or obligation hereunder whether by operation of law, merger (which, for purposes hereof, shall constitute an assignment) or otherwise without the prior written consent of the other. Any such attempted assignment or transfer in violation of this Section 14 shall be void and without legal effect. Notwithstanding the foregoing, Manager may assign all or any of its rights and obligations hereunder to any wholly owned subsidiary (direct or indirect) of Manager, provided, however, that (a) (i) Manager shall give SAC written notice of such assignment, (ii) any such assignee shall execute an agreement assuming such duties and obligations and deliver the same to SAC, and (iii) Manager shall deliver to SAC a written unconditional guaranty of the performance of the duties and obligations so assigned and assumed and (b) such rights and obligations shall revert back to Manager at such time as the assignee ceases to be a wholly owned subsidiary of Manager. Subject to the foregoing, this Agreement shall inure to the benefit of, and be binding upon, the successors and assigns of the parties hereto.

Section 15. Governing Law.

This agreement shall be governed by and construed in accordance with the laws of the State of North Carolina, regardless of any conflicts of laws or rules which would require the application of the laws of another jurisdiction.

Section 16. Miscellaneous.

16.01 Notices. Any notice, request, instruction or other document to be given hereunder by any party hereto to any other Person shall be in writing and delivered personally or by mail or any express mail service to the addresses set forth below.

(a) If to Manager:

Coca-Cola Bottling Co. Consolidated
2900 Rexford Road
Charlotte, NC 28211
Attention: Chief Financial Officer
Telecopy Number: (704) 551-4451

With a copy to:

Witt, Gaither & Whitaker
1100 American National Bank Building
Chattanooga, TN 37401
Attention: Ralph M. Killebrew, Jr.
Telecopy Number: (615) 266-4138

(b) If to SAC:

South Atlantic Canners, Inc.
601 Cousar Street
Bishopville, South Carolina 29010
Attention: Chairman, Board of Directors
Telecopy Number: (803) 484-5841

With a copy to:

McDermott, Will & Emery
1200 18th Street, N.W.
Washington, D.C. 20036-2506
Attention: J. Gary McDavid
Telecopy Number: (202) 778-8335

16.02 Nonwaiver of Default. Any failure by either party at any time or from time to time to enforce and require the strict keeping and performance of any of the terms and conditions of this Agreement shall not constitute a waiver of any such terms and conditions at any future time and shall not permit such party from insisting on the strict keeping and performance of such terms and conditions at any later time.

16.03 Interpretation. Should the provisions of this Agreement require judicial or arbitral interpretation, it is agreed that the judicial or arbitral body interpreting or construing the same shall not apply the assumption that the terms hereof shall be more strictly construed against one party by reason of the rule of construction that an instrument is to be construed more strictly against the party which itself or through its agents prepared the same, it being agreed that the agents of both parties have participated in the preparation herein equally.

16.04 Partial Invalidity. If any portion of this Agreement is held invalid, illegal or unenforceable and such invalidity, illegality, or unenforceability shall not have a material adverse effect with respect to the transactions contemplated herein taken as a whole, such determination shall not impair the enforceability of the remaining terms and provisions contained herein. In such event, this Agreement shall be construed and interpreted as if such invalid, illegal or unenforceable terms were limited to the extent whereby such terms would be valid, legal and enforceable. If such limitation is not possible, this Agreement shall be construed and interpreted as if such invalid,

illegal or unenforceable terms were severed and not included herein.

16.05 Amendment or Rescission. This Agreement shall not be modified or rescinded except by a written instrument setting forth such modification or rescission and signed by the parties hereto.

16.06 Duplicate Originals. For the convenience of the parties hereto, this Agreement may be executed in two counterparts, and each such counterpart shall be deemed to be an original instrument and together constitute one and the same Agreement.

16.07 Captions. The captions or headings of the Sections and other subdivisions hereof are inserted only as a matter of convenience or for reference and shall have no effect on the meaning of the provisions hereof.

16.08 Entirety of Agreement. This Agreement constitute the entire agreement between the parties hereto with respect to the subject matter hereof, and there are no agreements, understandings, covenants, conditions or undertaking, oral or written, expressed or implied, concerning such subject matter that are not merged herein.

16.09 Plurals, Etc. As used herein or in any document which incorporates the terms hereof:

(a) the plural form of the noun shall include the singular and the singular shall include the plural, unless the context requires otherwise;

(b) each of the masculine, neuter and feminine forms of any pronoun shall include all forms unless the context otherwise requires; and

(c) words of inclusion shall not be construed as terms of limitation, so that references to included matters shall be regarded as non-exclusive, non-characterizing illustrations.

IN WITNESS WHEREOF, each of the parties has caused this Agreement to be executed on its behalf by its duly authorized representative as the date first written above.

MANAGER:

Coca-Cola Bottling Co. Consolidated

By: /s/ DAVID V. SINGER

Its: **Vice President & Chief Financial Officer**

SAC:
South Atlantic Canners, Inc.

By: /s/ Illegible

Its: **Chairman of the Board**

Exhibit 10.12

March 1, 1994

Board of Directors
South Atlantic Canners
601 Cousar Street
Bishopville, SC 29010

Dear Sirs':

This letter is intended to outline our mutual intent to establish a long term relationship under which Coca-Cola Bottling Co. Consolidated and or it's affiliates, ("CCBCC"), would maintain long term membership in the South Atlantic Canners production co-operative ("SAC"). As inducement to enter into this long term arrangement, SAC will hire CCBCC to manage SAC pursuant to a long term management agreement (the "Contract"). During the term of the Contract, the SAC Board of Directors (the "BOD") will use its best efforts to see that a representative of CCBCC will be elected to serve on the BOD. This letter is intended to summarize the general intent of the parties with regard to this transaction, which will be more fully described in the Contract and a membership agreement between SAC and CCBCC.

Upon execution of the Contract CCBCC will agree to long term membership at SAC with a minimum annual commitment to purchase 4 million cases of cans, and a commitment for 20oz PET and 2 Liter PET to be determined ("CCBCC Membership"). Under the Contract, CCBCC will be paid to manage the day to day operations of SAC under the direction of the BOD. As part of the Contract, it will be CCBCC's responsibility to oversee the acquisition and installation of two high speed production lines, one generally suited for 2 liter PET bottles and one generally suited for 20 ounce PET bottles, (the "Expansion"). CCBCC Membership will not become effective if the BOD does not authorize the Expansion and the required financing or if the Expansion cannot be undertaken for unforeseen circumstances. Upon execution of this letter agreement, CCBCC will begin to plan the Expansion and will have 60 days to determine the ultimate feasibility of the Expansion and its projected costs. If the Expansion is deemed to be feasible, can be accomplished for not more than $15 million, the BOD approves the capital expenditures, acceptable financing is obtained and the Contract is

executed, CCBCC will immediately begin to undertake the Expansion and CCBCC Membership will become effective.

Existing members will not be required to purchase PET bottle products from SAC. It is anticipated that SAC will finance the Expansion under a bank agreement which will require loan guarantees. SAC members that choose to purchase PET bottle products will be required to provide loan guarantees using an allocation method similar to that used at Southeastern Container.

SAC will amend its Bylaws to authorize the BOD to enter into a management contract of the type contemplated in this letter. No changes in the bylaws of SAC are contemplated under this agreement. SAC will remain a separate legal entity in its current form without change. It is anticipated that the PET operation of SAC will be established as a separate allocation unit within SAC, and allocations of net earnings from the PET operation will be made to the members of SAC who participate in this unit.

Management Agreement Outline:

Duration: Long term contract (10 years +)

Management Fee: CCBCC will receive $.15 for each physical case produced at SAC. The fee will be increased annually by the increase in the CPI * The management fee will compensate CCBCC for all of the services it normally provides to its production centers out of its Charlotte, NC headquarters operation (a summary of these services is attached). All costs incurred on behalf of SAC by CCBCC (with the exception of the Charlotte based services) including the cost for all employees that are located “on site” at SAC will be charged to SAC. “On site” employees include all direct and indirect labor as well as all management and administrative employees that arc based in Bishopville.

Responsibilities of the BOD and CCBCC: As required by law, the business and affairs of SAC will be exercised under the direction of the BOD. In this regard, the BOD will set policies for the organization, approve the annual budget, review and supervise the financial performance of the company, review and approve long and short term business plans, approve major financial undertakings, including major financial commitments, and generally supervise the performance of the company in accordance with the direction established by the BOD. It will be the BOD’s responsibility to assure that all costs will be allocated fairly to the various products produced at SAC. Product pricing and rebates will be at the discretion of the BOD and will be the same for all members participating in all units including the new PET allocation unit.

* not to exceed a total management fee of 25¢ per case for the first 10 years of the agreement, with increases thereafter as provided in the final document

The day to day affairs of the company will be handled by CCBCC which shall provide management services to SAC under the Contract. In this regard, CCBCC will produce products which meet franchise company specifications and will deliver all products within reasonable age standards as approved by the BOD. CCBCC will prepare annul budgets for BOD review and approval and will report monthly financial results in a format acceptable to the BOD which generally communicate SAC's financial position and financial performance versus budget. CCBCC will be responsible for general accounting, billing, collections, accounts payable, payroll, maintenance of fixed asset records, tax accounting and return preparation, negotiation of and administration of all financings, purchasing of raw materials, administration of benefit plans, acquisition of insurance policies, monitoring compliance with all relevant EPA and OSHA regulations, internal audit of policy compliance and any other services generally provided by Charlotte HQ based employees for CCBCC's manufacturing operations. As discussed above, the performance of these duties will be the responsibility of CCBCC, however the cost of these items will be borne by either CCBCC or SAC based on the model that all functions that are currently being performed by Charlotte HQ based personnel will be covered by the management fee and all "on site" employees' costs and third party fees and other charges for specific materials or service will be borne by SAC. An exhaustive list of these services will be prepared and attached to the final agreement. CCBCC will also perform such other management functions in the normal course of business as may be determined from time to time by the BOD.

The members will provide reasonable estimates of annual volume requirements by brand and package to CCBCC for planning purposes each year for CCBCC to use in preparing annual budgets. The members will also provide product orders to CCBCC in a manner and within time parameters as reasonably requested by CCBCC.

CCBCC has a firm policy of working to maintain a union free work environment. The BOD will authorized CCBCC as manager to use all reasonable means to ensure that SAC maintains its union free status.

The BOD will authorize annually or as deemed necessary by the BOD an independent audit of the financial results and financial position of SAC. CCBCC will provide full access to its books and records to SAC auditors. However, CCBCC will not be required to provide sensitive information, including but not limited to its raw material costs to SAC members. These costs will be provided to independent auditors as needed in the audit process but they will be bound by confidentiality with regard to releasing this information. CCBCC will represent, and auditors can confirm, that the amounts charged to SAC for materials and services purchased on its behalf will be the actual

costs incurred by CCBCC. With exception for potential differing specifications, source of supply and freight cost, it is CCBCC's intent that materials purchased on behalf of SAC will be identical in cost and quality to those purchased for CCBCC directly.

The BOD will provide CCBCC the authority required to meet its responsibilities as manager and will use reasonable business judgment in considering annual operating and capital spending budget proposals submitted by CCBCC as manager. The BOD will also use reasonable business judgment in considering changes to these budgets based on changes in the underlying cost assumptions or production volume requirements. It will be the BOD's responsibility to assure that all costs will be allocated fairly to the various products produced at SAC. Product pricing and rebates will be at the discretion of the BOD and will be the same for all members.

The Contract will provide for reasonable quality and service standards which must be met by CCBCC (definitions to be included in the final agreement). If CCBCC is in violation of these requirements or otherwise fails to comply in all material respects with the policies and directions of the BOD and, within 90 days following written notice from the BOD, is unable to comply, the BOD will have the right to cancel the Contract. In order for the BOD to cancel the Contract it must determine in its reasonable business judgment that an alternative manager could have meet the performance requirements during the time of CCBCC's non-compliance and the BOD must require similar performance requirements of the management it chooses to replace CCBCC. In the event the BOD chooses to cancel the Contract, CCBCC will have the option to continue its Membership. After termination, CCBCC will have the same rights to cancel its purchase commitments as any other SAC member with regard to product pricing, however, in the event CCBCC cancels its purchase commitments, it may not withdraw from its guarantee of the debt used for the Expansion, except in accordance with the terms of the guarantee. If the Contract is terminated, CCBCC must provide such services in the Contract requested by the BOD during a reasonable transition period under the then existing terms of the Contract. *

Other: In the unlikely event after this transaction is consummated there is a dispute between the parties that cannot be resolved in the ordinary course of business, each party will designate a representative to meet and negotiate in good faith for up to 5 business days. If these negotiations are not successful in resolving the issue, the parties agree to binding arbitration of the dispute to be scheduled as soon as is practical under the circumstances.

* CCBCC will sign the same basic purchase agreement as other members. CCBCC will have the same right to terminate its membership and discontinue purchasing as other members; provided, however, that CCBCC will not terminate its membership or discontinue purchasing at specified levels while it serves as manager of SAC.

CCBCC has reviewed the financial statements of SAC dated as of 8-31-93 and is operating under the assumption that SAC's financial position was accurately reflected in these statements and that no material adverse changes have occurred with respect to SAC's financial condition subsequent to 8-31-93.

By signing below, the parties are committing to work in good faith and as quickly as can be reasonably expected to negotiate mutually acceptable documentation for the transaction as outlined in this letter. With exception of this commitment to negotiate in good faith, the parties are not contractually obligated to each other with respect to the matters discussed herein until the final documentation contemplated by this letter has been executed. The final agreements are subject to formal approval by the Boards of Directors of CCBCC and SAC.

Agreed to on March 1, 1994 by:

/s/ DAVID V. SINGER

David V. Singer
Vice President and Chief Financial Officer
Coca-Cola Bottling Co. Consolidated

/s/ A.T. HEATH

A. T. Heath, III
Chairman of the Board
South Atlantic Canners

COCA-COLA BOTTLING CO. CONSOLIDATED

ANNUAL BONUS PLAN – 2003

PURPOSE

The purpose of this Annual Bonus Plan (the **"Plan"**) is to promote the best interests of the Company and its Shareholders by providing key management employees with additional incentives to assist the Company in meeting and exceeding its business goals.

PLAN ADMINISTRATION

The Plan will be administered by the Compensation Committee as elected by the Board of Directors; *provided that*, so long as the Company and the Plan are subject to the provisions of Section 162(m) of the Internal Revenue Code of 1986, as amended (**"Section 162(m)"**), either the Compensation Committee shall be composed solely of two or more directors who qualify as "outside directors" under Section 162(m) or, if for any reason one or more members of the Compensation Committee cannot qualify as "outside directors," the Board shall appoint a separate Bonus Plan Committee composed of two or more "outside directors" which shall have all of the powers otherwise granted to the Compensation Committee to administer the Plan. All references herein to the **"Committee"** shall be deemed to refer to either the Compensation Committee or to the Bonus Plan Committee, as applicable at any given time. The Committee is authorized to establish new guidelines for administration of the Plan, delegate certain tasks to management, make determinations and interpretations under the Plan, and to make awards pursuant to the Plan; *provided, however,* that the Committee shall at all times be required to exercise these discretionary powers in a manner, and subject to such limitations, as will permit all payments under the Plan to "covered employees" (as defined

in Section 162(m)) to continue to qualify as "performance-based compensation" for purposes of Section 162(m), and any action taken by the Committee shall automatically be deemed null and void to the extent (if any) that it would have the effect of destroying such qualification. Subject to the foregoing, all determinations and interpretations of the Committee will be binding upon the Company and each participant.

PLAN GUIDELINES

Eligibility: The Committee is authorized to grant cash awards to any officer, including officers who are directors and to other employees of the Company and its affiliates in key positions.

Participation: Management will recommend annually key positions which should qualify for awards under the Plan. The Committee has full and final authority in its discretion to select the key positions eligible for awards. Management will inform individuals in selected key positions of their participation in the Plan.

Qualification and Amount of Award:

1. Participants will qualify for awards under the Plan based on:

   (a) Corporate goals set for the fiscal year.
   (b) Division/Manufacturing Center goals or individual goals set for the fiscal year.
   (c) The Committee may, in its sole discretion, eliminate any individual award, or reduce (but not increase) the amount of compensation payable with respect to any individual award.

2. The total cash award to the participant will be computed as follows:

Gross Cash Award = Base Salary X Approved Bonus % Factor X Indexed Performance Factor X Overall Goal Achievement Factor.

Notwithstanding the above formula, the maximum cash award that may be made to any individual participant based upon performance for any fiscal year period shall be $1,000,000.

3. The Base Salary is the participant's base salary level set for the fiscal year. The Approved Bonus % Factor is a number set by the Committee (maximum = 100%) to reflect each participant's relative responsibility and the contribution to Company performance attributed to each participant's position with the Company.

4. The Indexed Performance Factor is determined by the Committee prior to making payments of awards for each fiscal year, based on each individual's performance during such fiscal year. Since the Committee is necessarily required to evaluate subjective factors related to each individual's performance in order to arrive at this number, and since such evaluations cannot be made until after the close of the fiscal year to which the award relates, the Indexed Performance Factor will automatically be set at 1.2 for all participants who are "covered employees" (as defined in Section 162(m)), in order to allow awards to such participants to qualify as "performance-based compensation" that is not subject to the deduction limits of Section 162(m).

5. The Overall Goal Achievement Factor used in calculating the Gross Cash Award for each participant will be determined on the basis of multiplying the weightage factor specified in **ANNEX A** attached hereto for each of the six performance criteria specified therein (Operating Cash Flow (as defined in **ANNEX A**), Free Cash Flow (as defined in **ANNEX A**), Net Income, Unit Volume, Market Share, and an overall Value Measure (as defined in **ANNEX A**)) by the percentage specified in the following table for the level of performance achieved with respect to each such goal:

Goal Achievement (in percent)	Amount of Award (as a % of max.)
89.0 or less	0
89.1-94	80
94.1-97	90
97.1-100	100
100.1-105	110
105.1-110	120

6. The Committee will review and approve all awards. The Committee has full and final authority in its discretion to adjust the Gross Cash Award determined in accordance with the formula described above in arriving at the actual gross amount of the award to be paid to any participant; subject, however, to the limitation that such authority may be exercised in a manner which reduces (by using lower numbers for the Indexed Performance Factor or otherwise), but not in a manner which increases, the Gross Cash Award calculated in accordance with the formula prescribed in Paragraph 2 above. The gross amount will be subject to all local, state and federal minimum tax withholding requirements.

7. Participant must be an employee of the Company on the date of payment to qualify for an award. Any participant who leaves the employ of the Company, voluntarily or involuntarily, prior to the payment date, is ineligible for any bonus. An employee who assumes a key position during the fiscal year may be eligible for a pro-rated award at the option of the Committee, provided the participant has been employed a minimum of three (3) months during the calendar year.

8. Awards under the bonus program will not be made if any material aspects of the bottle contracts with The Coca-Cola Company are violated.

Payment Date: Awards shall be paid upon determination (and certification by the Committee, as provided below) of the results under each of the performance criteria

specified in Paragraph 5 above following the closing of the Company's books for the fiscal year to which such awards relate; *provided, however,* that the Committee shall have discretion to delay its certification and payment of awards for any fiscal year until following notification from the Company's independent auditors of the final audited results of operations for the fiscal year. In any event, the Committee shall provide written certification that the annual performance goals have been attained, as required by Section 162(m), prior to any payments being made for any fiscal year.

AMENDMENTS, MODIFICATIONS AND TERMINATION

The Committee is authorized to amend, modify or terminate the Plan retroactively at any time, in part or in whole; *provided, however,* that any such amendment may not cause payments to "covered employees" under the Plan to cease to qualify as "performance-based compensation" under Section 162(m) unless such amendment has been approved by the full Board of Directors of the Company.

SHAREHOLDER APPROVAL REQUIREMENT

So long as the Company and the Plan are subject to the provisions of Section 162(m), no awards shall be paid to any participants under the Plan unless the performance goals under the Plan (including any subsequent Plan amendments as contemplated above) shall have received any approval of the Company's shareholders required in order for all such payments to "covered employees" to qualify as "performance-based compensation" under Section 162(m).

ANNEX A

APPROVED PERFORMANCE CRITERIA FOR AWARDING BONUS PAYMENTS

CORPORATE GOALS

	PERFORMANCE INDICATOR	WEIGHTAGE FACTOR*	GOAL*
1.	Operating Cash Flow (A)		
2.	Free Cash Flow (B)		
3.	Net Income		
4.	Unit Volume		
5.	Market Share		
6.	Value Measure		
	Total	100%	

***** Set as Part of Approved Plan

NOTES:

1. Operating cash flow is defined as income from operations before depreciation and amortization of goodwill and intangibles.

2. Free cash flow is defined as the net cash available for debt or lease pay down after considering non-cash charges, capital expenditures, taxes and adjustments for changes in assets and liabilities. Specifically excluded would be acquisitions and capital expenditures made because of acquisitions. Specifically excluded from free cash flow are net proceeds from:

   - Investment in or sale of franchise territories
   - Sales of real estate
   - Sales of other assets
   - Other items as defined by the Committee.

3. Net Income is defined as the after-tax reported earnings of the Company.

4. Unit Volume is defined as bottle, can and pre-mix cases converted to 8 oz. cases.

5. If, and to the extent that, excluding any of the following items increases the level of goal achievement with respect to any of the performance indicators, then such item shall be excluded from determination of the level of goal achievement:

   – Unbudgeted events of more than $50,000.
   – Impact of non-budgeted acquisition or joint venture transactions occurring after the commencement of the fiscal year performance period.
   – Adjustments required to implement unbudgeted changes in accounting principles (*i.e.*, new FASB rulings).
   – Unbudgeted changes in depreciation and amortization schedules.
   – Unbudgeted premiums paid or received due to the retirement of refinancing of debt or hedging vehicles.

   The Committee shall, however, have discretion to include any of these specifically excluded items, but only to the extent that the exercise of such discretion would reduce (but not increase) the amount of any award otherwise payable under the Plan.

6. Bonus program will not be in force if any material aspects of the Bottle Contracts with TCCC are violated.

7. For purposes of determining incentive compensation, accounting practices and principles used to calculate “actual” results will be consistent with those used in calculating the budget.

Exhibit 10.17

TRANSFER AND ASSUMPTION OF LIABILITIES AGREEMENT

THIS TRANSFER AND ASSUMPTION OF LIABILITIES AGREEMENT made and entered into as of this 19th day of December, 1996 (this **"Agreement"**) by and between **CCBCC, Inc.,** a Delaware corporation ("CCBCC"), **PIEDMONT COCA-COLA BOTTLING PARTNERSHIP** a Delaware general partnership (**"PCCBP"**).

W I T N E S S E T H

WHEREAS, CCBCC was established by Coca-Cola Bottling Co. Consolidated, the Managing Agent of PCCBP (**"Consolidated"**), to act as the common employer for all personnel utilized by Consolidated in its operations, including the personnel which it uses in the management and operation of PCCBP and PCCBP's subsidiary, and, to that end, most former employees of PCCBP and its subsidiary are now employed by CCBCC and are leased to PCCBP and its subsidiary; and

WHEREAS, PCCBP believes it to be in its best interest, to the extent feasible, to consolidate all employee-related matters in CCBCC, so that all personnel and personnel-related functions will be handled by CCBCC; and

WHEREAS, in connection with the, foregoing, PCCBP desires to transfer to CCBCC certain of PCCBP's retiree health care benefit liabilities for former employees who either are retired or are employed by CCBCC, a schedule of which liabilities and the amount thereof is attached hereto as Exhibit 1 (the **"Assumed Liabilities"**); and

WHEREAS, PCCBP is transferring the Assumed Liabilities, and making a transfer of cash in the amount of $8,177,000 in exchange for 805.31 shares of CCBCC's Series A Preferred Stock (the **"Capital Contribution"**); and

WHEREAS, the parties hereto wish to enter this Agreement in order to effectuate the transfer and the assumption of the Assumed Liabilities in accordance with the terms of this Agreement;

NOW THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which PCCBP hereby acknowledges, the parties hereto agree as follows:

1. For and consideration of the issuance to PCCBP of 805.31 shares of CCBCC's Series A Preferred Stock, PCCBP hereby conveys to CCBCC the Assumed Liabilities and a cash payment, and CCBCC assumes all of the Assumed Liabilities. To the extent necessary, CCBCC agrees to execute any and all assignments or other documents which may be necessary to effect such assumption or which may be requested by any creditor of PCCBP to document such assumption.

2. PCCBP hereby warrants itself to be obligated to pay the Assumed Liabilities.

3. CCBCC hereby represents and warrants that it possesses full authority to assume the Assumed Liabilities and to issue all shares of its Series A Preferred stock to be issued pursuant to this Agreement and that all such shares when issued shall be deemed fully paid and non-assessable.

IN WITNESS WHEREOF, PCCBP and CCBCC have caused this Agreement to be executed and delivered on the day and date first above written.

CCBCC, INC.

By: /s/ DAVID V. SINGER

Title: **VICE PRESIDENT**

PIEDMONT COCA-COLA BOTTLING PARTNERSHIP

By Coca-Cola Bottling Co. Consolidated
Managing Agent

By: /s/ WILLIAM B. ELMORE

Title: **VICE PRESIDENT**

EXHIBIT 1

Piedmont Coca-Cola Bottling Partnership
Assumed Liabilities

Certain retiree healthcare benefit liabilities with a present value of $8,096,469; as actuarially determined by AON Consulting, Inc. (formerly Godwins Booke & Dickenson), and more fully described in a document previously delivered to CCBCC, Inc. on November 30, 1994.

Exhibit 10.33

Mail After Recording To:
Prepared By:
KENNEDY COVINGTON LOBDELL **&** HICKMAN. LLP (PLR)
100 North Tryon Street Suite 4200
Charlotte. North Carolina 28202-4006

FIRST AMENDMENT TO LEASE
and
FIRST AMENDMENT TO MEMORANDUM OF LEASE

THIS FIRST AMENDMENT TO LEASE AND FIRST AMENDMENT TO MEMORANDUM OF LEASE (this "First Amendment") is made and entered as of the 30 day of August _____, 2002, between **RAGLAND CORPORATION,** a Tennessee corporation (hereinafter referred to as the "Landlord"), having a mailing address of 4544 Harding Road, Suite 214, Nashville, Tennessee 37205, and **COCA-COLA BOTTLING CO. CONSOLIDATED,** a Delaware corporation (hereinafter referred to as the "Tenant"), having a mailing address of 4100 Coca-Cola Plaza. Charlotte, North Carolina 28211.

WITNESSETH:

WHEREAS, Landlord and Tenant entered into that certain Lease dated as of January 1, 1999 (the "Lease"), for the lease of certain improved real property located in Nashville, Davidson County, Tennessee (the "Premises"), said Premises being more particularly described on Exhibit A attached hereto; said Lease being memorialized in that certain Memorandum of Lease recorded in Book 11398 at Page 847 in the public land records of Davidson County, Tennessee (the "Memorandum of Lease");

WHEREAS, Landlord and Tenant desire to amend the Lease in certain respects to reflect the current understandings and agreements of Landlord and Tenant, including, without limitation, the inclusion of one (1) additional five (5) year renewal option on the part of Tenant; and

WHEREAS, the defined terms used in this First Amendment, as indicated by the initial capitalization thereof, shall have the same meaning ascribed to such terms in the Lease, unless otherwise specifically defined herein;

NOW, THEREFORE, for and in consideration of the premises and other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant agree to amend the Lease as follows:

1. Renewal Option. As provided in Section 2 of the Lease, Tenant currently has the option to renew the Original Term of the Lease for two (2) consecutive five (5) year Renewal Terms on the terms and conditions stated in said Section 2. Landlord and Tenant have agreed that, from and after the effective date of this First Amendment, Tenant shall have the option to renew the Original Term for three (3) consecutive five (5) year Renewal

Terms. In that regard, Section 2 of the Lease is hereby deleted in its entirety and replaced with the following:

"2. TERM AND RENEWALS. (A) The term of this Lease shall be ten (10) years commencing on January 1, 1999 and terminating on December 31, 2009, (the "Original Term").

(b) Tenant may renew this Lease as to the entire Premises for three (3) additional, consecutive terms of five (5) years each (each a "Renewal Terms"; together, the "Renewal Terms") by giving written notice to Landlord of its exercise of the renewal option at any time prior to one (1) year before the end of the then-current term. Rents for the Renewal Term(s) shall be determined under Section 5 of this Lease. Other than the rents applicable during the Renewal Term(s), all other terms and provisions in this Lease shall be fully applicable during any Renewal Term(s) exercised by Tenant."

Additionally, Paragraph 2 of the Memorandum of Lease is hereby deleted in its entirety and replaced with the following:

"2. The Lease grants Tenant successive options to renew the Lease for up to three (3) additional terms of five (5) years each."

2. Ratification. As amended by this First Amendment, the terms of the/ Lease and the Memorandum of Lease are hereby ratified and affirmed in all respects; and the Lease and the Memorandum of Lease, as amended by this First Amendment, shall remain enforceable in accordance with its terms.

[SIGNATURES AND ACKNOWLEDGEMENTS BEGIN ON FOLLOWING PAGE]

IN WITNESS WHEREOF, Landlord and Tenant have executed this First Amendment in multiple original counterparts as of the day and year first above written.

TENANT:

COCA-COLA BOTTLING CO. CONSOLIDATED

By: /s/ CHARLES L. WEATHERS

Name: **Charles L. Weathers**
Title: **Director of Facility Management**

STATE OF Tennessee)
)
COUNTY OF Davidson)

Before me, Yolanda Flippen-Flakes, a Notary Public of the State and County aforesaid, personally appeared Charles L. Weathers, with whom I am personally acquainted, and who, upon oath, acknowledged himself to be Director of Facility Management of Coca-Cola Bottling Co. Consolidated, the within named Tenant, a corporation and that he, as such Director, being authorized so to do, executed the foregoing instrument for the purpose therein contained, by signing the name of the corporation by himself as Director of Facility Management.

Witness my hand and seal, at office in Nashville, TN this 29 day of August, 2002.

/s/ YOLANDA FLIPPEN-FLAKES

NOTARY PUBLIC
Commission Expires: July 24, 2004

[SIGNATURES AND ACKNOWLEDGEMENTS CONTINUE ON NEXT PAGE]

LANDLORD:

RAGLAND CORPORATION

By: /s/ ELIZABETH R. CHALFANT

Name: **Elizabeth R. Chalfant**
Title: **CEO**

STATE OF TN)
)
COUNTY OF Davidson)

Before me, Sally A. Clayton, a Notary Public of the State and County aforesaid, personally appeared ELIZABETH R. CHALFANT with whom I am personally acquainted, and who, upon oath, acknowledged herself to be CEO of Ragland Corporation, the within named Landlord, a corporation, and that she, as such CEO, being authorized so to do, executed the foregoing instrument for the purpose therein contained, by signing the name or the corporation by herself as CEO.

Witness my hand and seal, at office in Nashville, TN this 30th day of August, 2002.

/s/ SALLY A. CLAYTON

NOTARY PUBLIC
Commission Expires: July 30, 2005

SWEETENER SALES AGREEMENT - BOTTLER

This agreement ("Agreement") made and entered into this 14 day of OCTOBER, 2002, by and between The Coca-Cola Company, a Delaware corporation ("Company"), through its Coca-Cola North America Division, and Coca-Cola Bottling Company Consolidated, a Delaware corporation ("Bottler").

WITNESSETH:

WHEREAS, Company has otherwise granted Bottler the right to manufacture from concentrate and/or beverage base certain carbohydrate sweetened soft drink beverages and/or syrups ("Products") under the one or more agreements ("Authorization Agreements");

WHEREAS, Bottler plans to purchase carbohydrate sweeteners for use in its manufacture of Products and not for resale or delivery to a third party;

WHEREAS, Company is engaged in the procurement of carbohydrate sweeteners for its own purposes and has acquired certain skill and knowledge in connection therewith;

WHEREAS, Bottler desires to take advantage of the skill, knowledge and services of Company in the procurement of carbohydrate sweeteners;

WHEREAS, subject to the terms and conditions of this Agreement, Bottler is willing to purchase carbohydrate sweeteners from Company and Company is willing to sell carbohydrate sweeteners to Bottler;

NOW, THEREFORE, in consideration of the premises hereof and of the mutual promises contained herein, the parties hereto agree as follows:

Section 1. Definitions.

As used in this Agreement, the following terms have the specified meanings:

a. "Originating Supplier" means the carbohydrate sweetener supplier which sells the sweeteners to or processes the sweeteners for Company.

b. "Sweeteners" means carbohydrate sweeteners derived from sugar cane, sugar beet, corn or other source(s) approved by Company.

c. "Bottler Customer" means any bottler of Company for whom Bottler manufactures carbohydrate sweetened soft drink beverages and/or syrups using Sweeteners delivered hereunder.

Section 2. Authorization.

For purposes of Bottler's compliance with sweetener quality assurance requirements independently established by Coca-Cola North America, Company will be deemed an approved supply point for Sweeteners furnished hereunder for Bottler's manufacture of Products from concentrate and/or beverage base. Nothing in this Agreement will be construed to authorize Bottler to purchase or use any concentrate or beverage base in the manufacture of syrups or beverages.

Section 3. Purchase, Sale and Usage of Sweeteners.

Company will sell to Bottler and Bottler will buy from Company all Bottler's requirements for Sweeteners. Bottler will use the Sweeteners only in its own manufacturing operations in the manufacture of products of Company and approved non-Company products for itself and approved Bottler Customers. Bottler will not resell or arrange for the delivery to any third party of Sweeteners covered by this Agreement. Approval of each Bottler Customer and each non-Company product will be within the sole discretion of Company. Company and Bottler shall in good faith continue joint efforts towards strategy development, program performance management and program administration.

The Sweeteners will conform to the specifications in effect between Company and the Originating Supplier(s) as may from time to time be revised by Company (the "Specifications"). The Specifications (which may also include quality control requirements for Sweeteners as set forth in Section 6 below) will be automatically incorporated herein by reference and made a part hereof.

Company will request and Bottler will furnish a good faith forecast of its requirements for Sweeteners ("Forecast") no later than October 1 of the year preceding the calendar year of Sweetener delivery. The Forecast will set forth the types and quantities of Sweeteners for each receiving location, for the calendar year and by delivery month. The Forecast will list by name all proposed Bottler Customers and all proposed non-Company products, and state the quantity for the calendar year of each type of Sweetener for all Bottler Customers, collectively, and for all non-Company products, collectively. Subject to Company's written approval, the Forecast (as amended to subtract quantities of Sweeteners allocable to any non-approved Bottler Customers and/or non-Company products) will be incorporated herein by reference and made a part hereof ("Approved Forecast"). Bottler will promptly advise Company of any proposed amendment to the Approved Forecast, including any proposed change to the list of Bottler customers and non-Company products identified in the Approved Forecast. If approved in writing by Company, the Approved Forecast will be further amended as requested by Bottler (or as otherwise agreed by the parties in writing), will become the Approved Forecast, and will be incorporated herein by reference and made a part hereof. Bottler will be obligated to purchase the stated aggregate quantity for each type of Sweetener listed in the Approved Forecast, plus or minus 5%. If Company does not approve in writing the Forecast within 30 days of Company's receipt of the Forecast from Bottler, the Forecast will be deemed approved by Company and become the Approved Forecast. If Company does not approve in writing any proposed amendment to the Approved Forecast within 30 days of Company's receipt of said amendment from Bottler, said amendment will be deemed approved by Company and will become the Approved Forecast.

If, without the express written approval of Company, Bottler fails to comply with any provision of this Section 3, Company may, without liability or advance notice, either terminate this Agreement or reduce one or more future deliveries of Sweeteners hereunder such that the aggregate deliveries to Bottler during any calendar year do not exceed Bottler's actual requirements for use in its manufacture of Company and approved non-Company products for itself and approved Bottler Customers.

Section 4. Pricing.

Company will furnish price quotations based upon Bottler's instructions as to date of pricing, quantity to be delivered and delivery period based on the Approved Forecast. The quantity specified by Bottler will be substantially in accordance with the monthly quantities set forth in the Approved Forecast. Bottler's acceptance of Company's quotations will establish the price and the quantity for delivery hereunder for the affected delivery period. For pricing purposes, the delivery period will be one or more whole calendar months. If Bottler has not furnished said instructions by 30 days prior to a calendar month, then the price for that month will be as established by Company based on market conditions existing at that time for the quantities to be delivered and the delivery period. However, if market conditions indicate a delay in pricing, the Company may waive the 30-day requirement. In the event Bottler has not otherwise specified the quantity to be delivered prior to the date that pricing is established, the quantity will be that set forth in the Approved Forecast.

Company reserves the right upon written notice (the "Charge Notice") given on or before August 1 of any year during the term of this Agreement to elect to charge Bottler an amount for Company's services under this Agreement (the "Services Charge"), which may take effect no earlier than January 1 of the year immediately following the year in which a Charge Notice is delivered. The Services Charge will take effect on and be due and payable beginning January 1 of the year immediately following the year in which a Charge Notice is delivered (or such later date as may be specified in the Charge Notice), provided that Bottler may in its sole and absolute discretion give notice within thirty days of the Services Charge being determined that Bottler does not accept the Services Charge, in which event this Agreement shall terminate upon the later of January 1 of the year immediately following the year in which the Charge Notice at issue was delivered (or such later date as may have been specified in the Charge Notice at issue) or the date of Bottler's notice to decline acceptance of the Services Charge. Any termination under this Section 4 by Bottler upon receipt of a Charge Notice will be without penalty or charge to Bottler.

Section 5. Invoicing and Payment.

Company will invoice Bottler based on the payment terms in effect between the Originating Supplier(s) and Company. Invoices shall be for the net amount charged to Company with any and all customary discounts available to Company having been applied when determining the price to Bottler, subject to a reasonable reserve for beginning-of-the-year accruals determined in accordance with GAAP (which ultimately shall be reversed) and any other reserves mutually agreed to between Company and Bottler. Except as permitted by Section 4, Company will not charge Bottler any amount for procuring Sweeteners under this Agreement. The price charged to Bottler will be the same effective price paid by Company, and Bottler shall have the benefit of all enhancements, promotions, discounts, rebates, price reductions, or other

price adjustments of any form or nature (whether in the form of monetary adjustments or nonmonetary benefits). Company will maintain records generated in Company's normal course of business in accordance with applicable laws to substantiate that Company has complied with this Section 5, and will make said records available to Bottler upon reasonable request and reasonable advance notice.

Section 6. Delivery.

Delivery hereunder will commence with the first calendar month set forth in the Approved Forecast and continue until this Agreement terminates as provided in Section 8 below. No later than the date of Company's quotation, the parties hereto will establish the terms of delivery which depend upon the type of Sweeteners and the Originating Supplier. If not otherwise established at the time, price quotations and established pricing will be predicated upon Company's delivery terms in effect with the Originating Supplier, adjustments to be made by Company in accordance with terms for delivery to Bottler. Final scheduling of deliveries will be arranged by Bottler either directly or indirectly (as specified by Company), with the Originating Supplier.

Section 7. Quality.

Bottler agrees to comply strictly with the terms of the Specifications, and any requirements independently issued by Coca-Cola North America to bottlers of Company, relating to quality control with respect to Sweeteners, which terms and requirements, if any, or any reissue thereof by Company, are made an integral part of this Agreement. Bottler also agrees to submit samples of Sweeteners in accordance with instructions as may be given by Company. Bottler agrees to defend, indemnify and hold Company harmless against loss, liability and damages caused by Bottler's failure to adhere to the aforementioned terms, requirements and instructions of Company.

Section 8. Term and Termination.

This Agreement will become effective on the date first written above and continue until December 31, 2007 ("Initial Period"), subject to automatic renewal for successive 1 year periods unless terminated effective at the end of the Initial Period or any renewal by either party giving the other notice by the September 1 immediately prior to the end of the Initial Period or any renewal. Additionally, Company and Bottler acknowledge and agree that this Agreement may be terminated or modified at any time upon the written agreement of both Company and Bottler. In the event Company ceases to procure a minimum of 70% of the Sweeteners used by Company's bottlers for the United States, Company may terminate this Agreement upon 60 days' written notice to Bottler.

Section 9. Confidentiality.

In conjunction with performance under this Agreement, Company has disclosed and anticipates disclosing or making available to Bottler, orally and/or in writing, confidential information, including, but not limited to, information relating to pricing, forward coverage and other terms of purchase of Sweeteners. In consideration thereof and of Company entering into this Agreement, Bottler will (1) hold all such confidential information in strict confidence, (2)

not disclose such information to any other party, including, but not limited to, a party considering acquiring an equity interest in Bottler or a party acquiring soft drinks from Bottler and (3) not disclose such information to any of its employees involved in the purchasing of sweeteners other than Sweeteners hereunder or, except on a need-to-know basis, to any of its other employees. Any officer or employee of Bottler receiving such confidential information will be bound by the provisions of this Section 9 as though a party hereto. In the event of a breach of this Section 9 by Bottler or its officers or employees, Company may, within its sole discretion and without liability or advance notice, terminate this Agreement.

Section 10. Recordkeeping and Auditing.

Bottler will maintain records for 2 years following the year of Sweetener delivery adequate to substantiate compliance with all provisions of this Agreement. Such records will be available for inspection and auditing by Company or its designee(s) upon notice during normal business hours. If Bottler fails to fully comply with any provision of this Section, Company may, within its sole discretion and without liability or advance notice, terminate this Agreement. Company's obligation to Bottler regarding recordkeeping is set forth in Section 5.

Section 11. Force Majeure.

Neither party will be liable to the other for loss, damage, or delay in delivery or receipt of sugar caused by act of God, war conditions, compliance with governmental laws, regulations orders or actions, embargo, fire, flood, accident, strike or labor trouble, transportation difficulty, or other similar event where the occurrence of such event is beyond the control of and occurs through no fault of either party. Further, neither party will be liable to the other for termination or suspension of delivery by the Originating Supplier pursuant to force majeure provisions in Company's agreement(s) with such Originating Supplier.

Section 12. Other Agreements.

All other agreements between the parties hereto will continue in full force and effect. Under no circumstances will this Agreement be construed to modify, amend, supersede or waive any provision of any other agreement between the parties unless the same is expressly so stated in writing signed by the parties with a specific reference to the other agreement.

Section 13. Notices.

Any notice, request, approval or other document required or permitted to be given to either party under this Agreement will be deemed to be duly given when transmitted by telegraph, facsimile or deposited in the United States mail, postage prepaid for mailing by first class addressed to the other party as follows:

If to Bottler:

the last known address

If to Company:

North American Strategic Procurement
Coca-Cola North America
P.O. Box 1734
Atlanta, Georgia 30301
Attn: Vice President

With a copy to: Chief Counsel, Technical and Support Services

Section 14. Miscellaneous.

The parties acknowledge and agree that any information, including forward-looking information, provided by the Company regarding the price of any commodities or other materials, in the future or otherwise, or any referral to an advisory firm, is made for informational purposes only and that the Company is not furnishing advice or making any recommendations with respect to any pricing or hedging decisions related to purchases made in accordance with this Agreement. Bottler acknowledges and agrees that: (1) the Company is not acting as a fiduciary or an advisor with respect to purchases made in accordance with this Agreement; (2) Bottler is capable of evaluating and understanding (on its own behalf or through independent professional advice) the terms, conditions and risks associated with purchases made in accordance with this Agreement; and (3) Bottler has not received from the Company any assurance or guarantee as to the price of commodities or other materials in the future or as to the expected results of any hedging transactions related to purchases made in accordance with this Agreement. Any forward-looking information provided to Bottler by Company is for informational purposes only and the Company is not furnishing advice or making any recommendations with respect to pricing or hedging decisions related to this Agreement.

Section 15. Entire Agreement.

This Agreement constitutes the entire understanding and agreement between the parties with respect to subject matter hereof and cancels and supersedes any prior negotiations, understandings and agreements, whether verbal or written, with respect thereto.

Section 16. Waivers, Modifications, Amendments.

No waiver, modification or amendment of any provision of this Agreement will be valid or effective unless made in writing and signed by a duly authorized representative of each party.

Section 17. Applicable Law.

The validity, interpretation and performance of this Agreement will be governed and construed in accordance with the laws of the State of Georgia as though this Agreement were fully made and performed within the State of Georgia.

Section 18. Assignment.

This Agreement is deemed to be of a personal nature, and Bottler may not assign or transfer this Agreement or any interest therein or undertake any transaction or series of transactions which would result in an effective transfer of this Agreement or any interest therein,

or sublicense or assign any rights or obligations hereunder, or delegate or subcontract performance hereof, in whole or in part, to any third party or parties, without the prior, express, written consent of Company. For purposes of this Section 18, a change in ownership of 50% or more of the voting equity in Bottler will be deemed to be an assignment. Because this clause is considered a material part of the bargain between the parties, any attempt to do so will be void and will, at Company's option, have the effect of terminating this Agreement.

IN WITNESS WHEREOF, the parties to this Agreement have executed this Agreement by their duly authorized representatives as of the date first written above.

THE COCA-COLA COMPANY
acting by and through its
COCA-COLA NORTH AMERICA DIVISION

By: /s/ Illegible

Title: **VP Strategic Procurement**

BOTTLER

By: /s/ MICHAEL A. PERKIS

Title: **Vice President / Materials Management**

Execution Copy

Exhibit 10.35

LIMITED LIABILITY COMPANY OPERATING AGREEMENT OF COCA-COLA BOTTLERS' SALES & SERVICES COMPANY LLC

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TRANSFER RESTRICTIONS

The Membership Interests in Coca-Cola Bottlers' Sales & Services Company LLC created and issued under this Agreement (the "Membership Interests") are subject to the restrictions on transfer and other terms and conditions set forth in this Agreement.

The Membership Interests have been acquired for investment and have not been registered under (a) the securities laws of the State of Delaware, (b) any other state securities laws, or (c) the United States Securities Act of 1933, as amended (the "Securities Act").

Neither the Membership Interests nor any part thereof may be offered for sale, pledged, hypothecated, sold, assigned, or transferred except in compliance with the terms and conditions of this Agreement and

(1) pursuant to an effective registration statement under the securities laws of the State of Delaware or in a transaction which either is exempt from registration under such laws or is otherwise in compliance with such laws,

(2) pursuant to an effective registration statement under any other applicable state securities laws or in a transaction which either is exempt from registration under any such laws or is otherwise in compliance with such laws, and

(3) pursuant to an effective registration statement under the Securities Act or in a transaction which either is exempt from registration under the Securities Act or is otherwise in compliance with the Securities Act.

FOR ALABAMA RESIDENTS ONLY

THESE MEMBERSHIP INTERESTS ARE OFFERED PURSUANT TO A CLAIM OF EXEMPTION UNDER THE ALABAMA SECURITIES ACT. A REGISTRATION STATEMENT RELATING TO THESE MEMBERSHIP INTERESTS *HAS NOT BEEN FILED* WITH THE ALABAMA SECURITIES COMMISSION. THE COMMISSION *DOES NOT* RECOMMEND OR ENDORSE THE PURCHASE OF ANY MEMBERSHIP INTERESTS, *NOR DOES IT PASS UPON* THE ACCURACY OR COMPLETENESS OF THIS DISCLOSURE MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

FOR ALASKA RESIDENTS ONLY

THESE SECURITIES ARE NOT REGISTERED UNDER THE ALASKA SECURITIES ACT OF 1959, AS AMENDED, AND CANNOT BE RESOLD WITHOUT REGISTRATION UNDER THE ALASKA SECURITIES ACT OF 1959, AS AMENDED, OR EXEMPTION FROM IT.

CALIFORNIA

THE SALE OF THE SECURITIES WHICH ARE THE SUBJECT OF THIS OFFERING HAVE NOT BEEN QUALIFIED WITH THE COMMISSIONER OF CORPORATIONS OF THE STATE OF CALIFORNIA AND THE ISSUANCE OF THE SECURITIES OR THE PAYMENT OR RECEIPT OF ANY PART OF THE CONSIDERATION THEREFOR PRIOR TO SUCH QUALIFICATION IS UNLAWFUL, UNLESS THE SALE OF SECURITIES IS EXEMPT FROM THE QUALIFICATION BY SECTION 25100, 25102, OR 25105 OF THE CALIFORNIA CORPORATIONS CODE. THE RIGHTS OF ALL PARTIES TO THIS OFFERING ARE EXPRESSLY CONDITIONED UPON SUCH QUALIFICATION BEING OBTAINED, UNLESS THE SALE IS SO EXEMPT. THE UNITS IN THE COMPANY ARE BEING OFFERED ON THE BASIS OF SUCH EXEMPTION.

CONNECTICUT

THE MEMBERSHIP INTERESTS HAVE NOT BEEN REGISTERED UNDER SECTION 36B-16 OF THE CONNECTICUT UNIFORM SECURITIES ACT AND, THEREFORE, CANNOT BE SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF TO ANY PERSON OR ENTITY UNLESS SUBSEQUENTLY REGISTERED PURSUANT TO THE SECURITIES ACT OR THE CONNECTICUT UNIFORM SECURITIES ACT, IF SUCH REGISTRATION IS REQUIRED, OR UNLESS AN EXEMPTION FROM SUCH REGISTRATION IS AVAILABLE.

GEORGIA

THESE SECURITIES HAVE BEEN ISSUED OR SOLD IN RELIANCE ON, AMONG OTHER EXEMPTIONS, PARAGRAPH (13) OF CODE SECTION 10-5-9 OF THE "GEORGIA SECURITIES ACT OF 1973," AND MAY NOT BE SOLD OR TRANSFERRED EXCEPT IN A TRANSACTION WHICH IS EXEMPT UNDER SUCH ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION UNDER SUCH ACT.

FOR ILLINOIS RESIDENTS ONLY

THESE MEMBERSHIPS INTERESTS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECRETARY OF STATE OF ILLINOIS OR THE STATE OF ILLINOIS, NOR HAS THE SECRETARY OF STATE OF ILLINOIS OR THE STATE OF ILLINOIS PASSED UPON THE ACCURACY OR ADEQUACY OF THIS DISCLOSURE MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

FOR INDIANA RESIDENTS ONLY

THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER SECTION 23-2-1-3 OF THE INDIANA CODE (1982 ED.), AS AMENDED, AND IS SUBJECT TO THE RESTRICTIONS ON TRANSFERABILITY AND SALE OF THE SECURITIES SET FORTHE IN THE LIMITED LIABILITY COMPANY OPERATING AGREEMENT OF COCA COLA BOTTLERS' SALES AND SERVICES COMPANY LLC.

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For North Carolina Residents Only

These membership interests are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities act of 1933, as amended, and the applicable state securities laws, pursuant to registration or exemption therefrom. Investors should be aware that they may be required to bear the financial risk of this investment for an indefinite period of time.

For Pennsylvania Residents Only

If you have accepted an offer to purchase these membership interests and have received a written notice explaining your right to withdraw your acceptance pursuant to Section 207(m)(2) of the Pennsylvania Securities act of 1972, you may elect, within two business days from the date of receipt by the issuer of your binding contract of purchase or, in the case of a transaction in which there is no binding contract of purchase, within two business days after you make the initial payment for the membership interests being offered, to withdraw your acceptance and receive a full refund of all monies paid by you. Your withdrawal of acceptance will be without any futher liability to any person. To accomplish this withdrawal, you need only to send a written notice (including a notice by facsimile or electronic mail) to the issuer indicating your intention to withdraw.

For South Carolina Residents Only

These membership interests are offered pursuant to a claim of exemption under the South Carolina Uniform Securities act. A Registration Statement relating to these membership interests has not been filed with the South Carolina Securities Commissioner. The Commissioner does not recommend or endorse the purchase of any securities, nor does it pass upon the accuracy or completeness of this Disclosure Memorandum. Any representation to the contrary is a criminal offense.

For South Dakota Residents Only

Neither the securities and exchange commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy of the disclosure document or prospectus. any representation to the contrary is a criminal offense.

For Tennessee Residents Only

In making an investment decision investors must rely on their own examination of the issuer and the terms of the Offering, including the merits and risks involved.

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TEXAS

THE MEMBERSHIP INTERESTS HAVE NOT BEEN REGISTERED UNDER THE TEXAS SECURITIES ACT OF 1957 OR ANY OTHER SECURITIES ACT AND MAY NOT BE RESOLD OR TRANSFERRED EXCEPT IN A TRANSACTION THAT IS EXEMPT UNDER THAT ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THAT ACT OR IN A TRANSACTION THAT IS OTHERWISE IN COMPLIANCE WITH THAT ACT.

FOR KANSAS, MAINE, NEW MEXICO, NORTH DAKOTA, OKLAHOMA, VIRGINIA AND WASHINGTON RESIDENTS ONLY

THESE SECURITIES WILL BE SOLD ONLY TO ACCREDITED INVESTORS. NO MONEY OR OTHER CONSIDERATION WILL BE SOLICITATED OR ACCEPTED BY MEANS OF A GENERAL ANNOUNCEMENT. THESE SECURITIES HAVE NOT BEEN REGISTERED OR APPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR ANY OTHER STATE AGENCY AND ARE BEING OFFERED AND SOLD PURSUANT TO AN EXEMPTION FROM REGISTRATION.

LIMITED LIABILITY COMPANY OPERATING AGREEMENT OF
COCA-COLA BOTTLERS' SALES & SERVICES COMPANY LLC

This Limited Liability Company Operating Agreement of Coca-Cola Bottlers' Sales & Services Company LLC (the "Company") is made as of January 1, 2003, among all Coca-Cola Bottlers doing business in the United States that execute and deliver this Agreement (the "Members") in accordance with its terms.

The Members desire to form a limited liability company pursuant to the Delaware Limited Liability Company Act, 6 Del. C. § 18-101, et seq., as amended from time to time (the "Delaware Act") based upon the statement of principles attached hereto as **Exhibit A**. To that end, the Certificate of Formation of the Company has been filed with the office of the Secretary of State of the State of Delaware. Nonetheless, for all purposes hereof, the Company will not commence operations unless and until this Agreement is executed on or before December 31, 2002 by Coca-Cola Bottlers that hold at least ninety percent (90%) of what the Percentage Interests would be if all Coca-Cola Bottlers executed and delivered this Agreement and became Members.

NOW, THEREFORE, in consideration of the agreements and obligations set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and intending to be legally bound, the Members hereby agree as follows:

ARTICLE I

DEFINED TERMS

Section 1.1 Definitions. Unless the context otherwise requires, the terms defined in this Article I shall, for the purposes of this Agreement, have the meanings herein specified.

"Additional Members" has the meaning set forth in Section 13.1.

"Affiliate" means with respect to a specified Person, any Person that directly or indirectly controls, is controlled by, or is under common control with, the specified Person. As used in this definition, the term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of all or substantially all of the management and policies of a Person, or to manage the sale of one or more products trademarked by or licensed to The Coca-Cola Company in a Territory, whether through ownership of voting securities, by contract (including a management contract), joint venture, or otherwise. No Person shall be deemed to be an Affiliate of another Person merely because of the relationship of a Coca-Cola franchise between such Persons. A Person becomes a "controlled Affiliate" when control of such Person is directly or indirectly acquired by another Person through stock purchase, merger, consolidation or otherwise.

"Agreement" means this Limited Liability Company Operating Agreement of the Company, as amended, modified, supplemented or restated from time to time.

"Allocated Interest" has the meaning set forth in Section 2.1(iii).

"Board" means the committee of the Company established pursuant to Section 6.1.

"Capital Account" means, with respect to any Member, the account maintained for such Member in accordance with the provisions of Section 4.4.

"Capital Contribution" means, with respect to any Member, the aggregate amount of money and the fair market value of any property (other than money) contributed to the Company with respect to such Member's Interest pursuant to Section 4.1 or, with respect to an Additional Member, Section 4.2.

"Certificate" means the Certificate of Formation of the Company and any and all amendments thereto and restatements thereof filed on behalf of the Company with the office of the Secretary of State of the State of Delaware pursuant to the Delaware Act.

"Coca-Cola Bottler" or "Bottler" means CCE and each other business entity that is not an Affiliate of CCE and that holds a Coca-Cola franchise applicable to one or more Territories within the United States. For purposes of this Agreement, all entities that hold Coca-Cola franchises and that are related to one another by meeting the definition of an Affiliate herein shall be deemed to constitute a single Coca-Cola Bottler. In no event, however, shall The Coca-Cola Company, or any Affiliate of The Coca-Cola Company, be deemed a Coca-Cola Bottler hereunder, and any Member that hereafter becomes Affiliated with The Coca-Cola Company shall thereupon cease to be qualified as a Member. With respect to any Territory in which the Coca-Cola franchise is held by a first-line bottler, but such Territory is operated by a sub-bottler or second line-bottler, the sub-bottler or second-line bottler and not the first-line bottler shall be deemed the Coca-Cola Bottler for that Territory hereunder. A list of all Coca-Cola Bottlers as of October 31, 2002 is attached hereto as **Exhibit B**.

"Coca-Cola bottling system" means the system through which beverages bearing trademarks owned by or licensed to The Coca-Cola Company are manufactured and distributed.

"Coca-Cola Enterprises Inc." or "CCE" means Coca-Cola Enterprises Inc., a Delaware corporation, and any successor to substantially all of its business and operations.

"Coca-Cola franchise" means the contract and trademark license authorizing a Person to bottle and sell one or more products bearing the trademark "Coca-Cola" or one of its derivatives in a Territory.

"Code" means the Internal Revenue Code of 1986, as amended from time to time, or any corresponding federal statutory income tax enacted after the date of this Agreement. A reference to a specific section (§) of the Code refers not only to such specific section but also to any

corresponding provision of any Code, as such specific section or corresponding provision is in effect on the date of application of the provisions of this Agreement containing such reference.

"Company" means Coca-Cola Bottlers' Sales & Services Company LLC, the limited liability company formed and continued under and pursuant to the Delaware Act and this Agreement.

"Covered Person" means a Member, a Director, an Officer, a Manager, any Affiliate of a Member, a Director, an Officer or a Manager, any officers, directors, shareholders, partners, employees, representatives or agents of a Member, a Director, an Officer or a Manager, or their respective Affiliates, or any employee or agent of the Company or its Affiliates.

"Delaware Act" has the meaning set forth in the recitals.

"Director" means a natural person designated as a director of the Company pursuant to Section 6.1; "Directors" means two or more of such natural persons. There will be three classes of Directors: National Bottler Directors, Regional Bottler Directors and Mainstream Bottler Directors.

"Director Extraordinary Vote" means the affirmative vote of not less than eighty percent (80%) of the total votes that may be cast at the time by the whole Board, voting in person or by proxy.

"Director Regular Vote" means the affirmative vote of not less than sixty-six and two-thirds percent (66 2/3%) of the total votes that may be cast at the time by the whole Board, voting in person or by proxy.

"Direct Store Delivery" or "DSD" means the traditional distribution system used by carbonated soft drink bottlers in the United States, including Coca-Cola bottlers, for the delivery of carbonated soft drink products by bottler-owned vehicles and bottler employees to customer retail stores and bottler merchandising of the products within the retail stores.

"Fiscal Year" means (i) the period commencing upon the formation of the Company and ending on December 31, 2002, (ii) any subsequent twelve (12) month period commencing on January 1 and ending on December 31, or (iii) any portion of the period described in Clause (ii) of this sentence for which the Company is required to allocate Profits, Losses and other items of Company income, gain, loss or deduction pursuant to Article VIII hereof.

"Interest" means a Member's limited liability company ownership interest in the Company which represents such Member's share of the profits and losses of the Company and a Member's right to receive distributions of the Company's assets in accordance with the provisions of this Agreement and the Delaware Act. A Member's Interest shall be reflected as a number of Units.

"Large Regional Bottler" means any Regional Bottler which is hereafter determined to have at least 12.5% of the Sales Volume in accordance with Section 6.1.

"Laws" means:

(i) all constitutions, treaties, laws, statutes, codes, ordinances, orders, decrees, rules, regulations and municipal by-laws, whether domestic, foreign or international;

(ii) all judgments, orders, writs, injunctions, decisions, rulings, decrees and awards of any governmental body;

(iii) all policies, practices and guidelines of any governmental body; and

(iv) any amendment, modification, re-enactment, restatement or extension of the foregoing,

in each case binding on or affecting the party or Person referred to in the context in which such word is used; and "Law" shall mean any one of them.

"Mainstream Bottlers" means all Members other than CCE, the Regional Bottlers and their respective Affiliates.

"Mainstream Bottler Directors" means the Directors to be appointed by Mainstream Bottlers pursuant to Section 6.1.

"Manager" means each Director.

"Member" means, subject to Sections 2.1(ii), 5.4 and 6.10, Article XIV hereof and any other event which disqualifies a Person from being a Member hereunder, each of the Coca-Cola Bottlers that executes this Agreement on or before December 31, 2002 and also includes any Coca-Cola Bottler admitted as an Additional Member or a Substitute Member pursuant to the provisions of this Agreement, in such Coca-Cola Bottler's capacity as a member of the Company, and "Members" means two (2) or more of such Coca-Cola Bottlers when acting in their capacities as members of the Company. Except for purposes of electing Directors as provided in Section 6.1, the Members shall constitute one (1) class or group of members.

"National Bottler Directors" means the Directors to be appointed by CCE pursuant to Section 6.1.

"Net Cash Flow" means, for each Fiscal Year or other period of the Company, the gross cash receipts of the Company from all sources, but excluding any amounts, such as gross receipts taxes, that are held by the Company as a collection agent or in trust for others or that are otherwise not unconditionally available to the Company, less all amounts paid by or for the account of the Company during the same Fiscal Year or other period (including, without limitation, payments of principal and interest on any Company indebtedness and expenses reimbursed to the Members under Section 5.2), and less any amounts determined by the Board to be necessary to provide a reasonable reserve for working-capital needs or any other contingencies of the Company. Net Cash Flow shall not be reduced by depreciation, amortization, cost

recovery deductions, depletion, similar allowances or other non-cash items, but shall be increased by any reduction of reserves to Net Cash Flow previously established.

"Officer" means a natural person designated as an officer of the Company.

"Percentage Interest" means the Interest of a Member, expressed as a portion of one hundred percent, determined by the proportion of the Units owned by such Member to the total number of Units issued and outstanding; "Percentage Interests" shall mean the Percentage Interest of two or more Members.

"Person" includes any individual, corporation, association, partnership (general or limited), joint venture, trust, estate, limited liability company, or other legal entity or organization.

"President" means the Person appointed by the Board as the president of the Company, who shall perform the duties described in Section 7.3.

"Procurement Policies" means the policies of the Company governing the procurement of goods and services by the Procurement Division, as established by the Board. The Procurement Policies shall be established from time to time by a Director Regular Vote and shall address and take into account or allow for decisions by the Procurement Division to consider price equalization on a commodity-by-commodity basis made on a basis similar to current practices of The Coca-Cola Bottlers' Association. The Procurement Policies will take into consideration the quality, service, financial condition and stability of particular suppliers.

"Profits" and "Losses" means, for each Fiscal Year, an amount equal to the Company's taxable income or loss for such Fiscal Year, determined in accordance with § 703(a) of the Code.

"Regional Bottler" shall mean the largest Members, excluding CCE and its Affiliates, based on Sales Volume during the three calendar year period ending immediately prior to the year in which the classification of Members as Regional Bottlers or Mainstream Bottlers is to be made pursuant to Section 6.1. There will be six (6) Regional Bottlers unless (a) the number of Regional Bottler Directors is increased pursuant to Section 6.1(iv), in which event there will be a like increase in the number of Regional Bottlers; or (b) one or more of the Regional Bottlers become a Large Regional Bottler, in which event the number of Regional Bottlers will decrease by one for each Large Regional Bottler. The initial Regional Bottlers are designated as such on **Exhibit D** hereto. There are no Large Regional Bottlers on the date as of which this Agreement is made. If two or more Regional Bottlers become Affiliated with each other, or if one or more Regional Bottlers becomes Affiliated with CCE or The Coca-Cola Company, the Regional Bottler or Bottlers that are controlled Affiliates shall thereupon cease to be qualified as Regional Bottlers.

"Regional Bottler Directors" shall mean the Directors to be appointed by Regional Bottlers pursuant to Section 6.1.

"Sales Volume" means, for a given period of time, a Member's share (expressed as a percentage) of the total volume of Member sales, measured in equivalent cases, of bottle/can products bearing trademarks owned by or licensed to The Coca-Cola Company, including brands other than Coca-Cola, but excluding cross-licensed brands and fountain sales.

"Secretary" means the Person appointed by the Board as the secretary of the Company, who shall perform the duties described in Section 7.5.

"Substitute Member" means a Coca-Cola Bottler that is admitted to the Company as a Member pursuant to Section 14.2.

"Tax Amount" has the meaning set forth in Section 9.4.

"Tax Matters Partner" has the meaning set forth in Section 11.1.

"Territory" means a defined geographic area of the United States in which a Coca-Cola Bottler is authorized to bottle and sell one or more products bearing the trademark "Coca-Cola" or one of its derivatives.

"The Coca-Cola Bottlers' Association" means The Coca-Cola Bottlers' Association, a Georgia non profit corporation.

"The Coca-Cola Company" means The Coca-Cola Company, a Delaware corporation, and any successor to substantially all of its business and operations, and its Affiliates.

"Treasury Regulations" means the income tax regulations, including temporary regulations, promulgated under the Code, as such regulations may be amended from time to time (including corresponding provisions of succeeding regulations).

"Unit" means the unit of measure of a Member's Interest determined in accordance with Section 2.1(iii). A Unit held by a Member shall also include such Member's rights as a "member" under the Delaware Act, as modified by this Agreement, but a Unit held by a transferee that does not become a Substitute Member pursuant to Section 14.2 does not include rights as a "member" under the Delaware Act or this Agreement. The Board may, but it is not obligated to, authorize the issuance of certificates to represent the ownership of Units.

Section 1.2 Headings. The headings and subheadings in this Agreement are included for convenience and identification only and are in no way intended to describe, interpret, define or limit the scope, extent or intent of this Agreement or any provision hereof.

ARTICLE II

FORMATION AND TERM

Section 2.1 Formation.

(i) The Members hereby form the Company as a limited liability company under and pursuant to the provisions of the Delaware Act and agree that the rights, duties and liabilities of the Members shall be as provided in the Delaware Act, except as otherwise provided herein.

(ii) A Coca-Cola Bottler shall be admitted as a Member of the Company if on or before December 31, 2002:

(a) such Bottler executes and delivers this Agreement or a counterpart of this Agreement; and

(b) this Agreement is executed and delivered by Coca-Cola Bottlers that hold at least ninety percent (90%) of the total potential number of Units that would be issued by the Company if all Coca-Cola Bottlers were Members.

Membership in the Company is voluntary. Whether to participate in either or both of the Distribution Division and the Procurement Division, which are contemplated by Section 3.3, is also voluntary. However, if a Coca-Cola Bottler does become a Member, the obligations set forth in Section 3.4 and the restrictions set forth in Section 12.8 will nonetheless be applicable to such Member to the extent and subject to the limitations set forth therein, regardless of whether it elects to participate in either the Distribution Division or the Procurement Division.

(iii) Each Member as of January 1, 2003 shall be entitled to acquire that portion of the total number of Units to be issued to the initial Members that corresponds to the arithmetic average of (a) such Member's share (expressed as a percentage) of total volume of initial Member sales, measured in equivalent cases, of bottle/can products bearing trademarks owned by or licensed to The Coca-Cola Company (including brands other than Coca-Cola, but excluding cross-licensed brands and fountain sales) and (b) the percentage of U. S. population in such Member's Territory compared to the total U.S. population in the Territories of all initial Members, as reflected in the records of The Coca-Cola Company, during the most recent available period ("Allocated Interest"). In the event that the records of The Coca-Cola Company are not available or a Member contends that those records are insufficient to reliably determine the Allocated Interest of that Member, the President shall determine the Allocated Interest of such Member by estimate using the most reliable methodology available, in his judgment, including information provided to the President by the Member. If a Member does not object to its proposed Allocated Interest within 15 days of being advised of it, the Member shall be deemed to have accepted the Allocated Interest proposed. If the Member does object in a timely way, and the Member and the President are unable to agree upon the Member's Allocated Interest within 30 days after the Member first objects to the Allocated Interest proposed for it, the parties shall promptly refer the issue of the appropriate amount of the Member's Allocated Interest to The Coca-Cola Bottlers' Association, whose determination shall be final and binding on the parties and not subject to further appeal. The Member in question and the Company shall cooperate in connection therewith and

shall submit to The Coca-Cola Bottlers' Association all information requested by it to permit The Coca-Cola Bottlers' Association to make a determination in a timely way.

(iv) The name, mailing address, telephone number and telecopier number of each Member, the agreed value of the amount contributed to the capital of the Company by each Member, the nature of each Member's capital contribution, and the number of Units to be issued to each Member shall be recorded on a Schedule to be compiled by the Secretary. The Secretary shall be required to update such Schedule from time to time as necessary to reflect accurately the information therein, including adjustments due to resignations or the admission of Additional Members or Substitute Members and permitted transfers of Units. The first such Schedule shall be made as of January 1, 2003 and shall be completed and distributed to the Members not later than January 31, 2003, with respect to the Members as of January 1, 2003 to reflect the Coca-Cola Bottlers who have elected to become Members. Any amendment or revision to the Schedule made in accordance with this Agreement shall not be deemed an amendment to this Agreement requiring approval as provided in Section 16.10. Any reference in this Agreement to the Schedule shall be deemed to be a reference to the Schedule as amended and in effect from time to time.

(v) E. Liston Bishop, III, as an authorized person within the meaning of the Delaware Act, executed, delivered and filed the Certificate.

Section 2.2 Name. The name of the Company formed hereby is Coca-Cola Bottlers' Sales & Services Company LLC. The business of the Company may be conducted upon compliance with all applicable Laws under any other name designated by the Board.

Section 2.3 Term. The term of the Company shall commence on the date the Certificate was filed in the office of the Secretary of State of the State of Delaware and shall continue in perpetuity unless the Company is dissolved in accordance with the provisions of this Agreement. The existence of the Company as a separate legal entity shall continue until cancellation of the Certificate in the manner required by the Delaware Act.

Section 2.4 Registered Agent and Office. The Company's registered agent and office in the State of Delaware shall be c/o Corporation Service Company, 2711 Centerville Road, Suite 400, Wilmington, New Castle County, Delaware 19808. At any time, the Board may designate another registered agent and/or registered office.

Section 2.5 Principal Place of Business. The principal place of business of the Company shall be in Atlanta, Georgia, USA. At any time, the Board may change the location of the Company's principal place of business to another location.

Section 2.6 Qualification in Other Jurisdictions. The Board shall cause the Company to be qualified, formed or registered under assumed or fictitious name statutes or similar Laws in any jurisdiction in which the Company transacts business. The Secretary, as an authorized person within the meaning of the Delaware Act, shall execute, deliver and file any certificates

(and any amendments and/or restatements thereof) necessary for the Company to qualify to do business in a jurisdiction in which the Company may wish to conduct business.

ARTICLE III

PURPOSE AND ACTIVITIES OF THE COMPANY

Section 3.1 Purpose. The Company is formed for the purpose of engaging in, and is authorized to engage in, any lawful act or activity for which limited liability companies may be formed under the Delaware Act and it shall have the organizational power to engage in any and all activities necessary, convenient, desirable or incidental to the foregoing, including, without limitation, to enhance the efficiency and competitiveness of the Coca-Cola bottling system in the United States by establishing a more efficient system through reducing costs of all Members, providing enhanced services to Members and customers, and in continuing and enhancing a mutually beneficial relationship with The Coca-Cola Company. The Company is also formed for the purpose of developing and capturing opportunities to develop and grow, as authorized hereunder, profitable lines of business in the distribution and management of distribution of non-alcoholic non-carbonated beverages best distributed through means other than DSD distribution and for the purpose of growing the value of the Member's Interest while preserving and enhancing the value and growth of each Member's existing business.

Section 3.2 Support of The Coca-Cola Company. With the approval of its Board of Directors, The Coca-Cola Company has indicated its support of the Company by a Letter of Understanding which advises the Company that The Coca-Cola Company will integrate its North America procurement function and certain of its procurement experienced employees into the Company's operation, will collaborate with the Company's management in selecting the best route to market for new products not best suited for the DSD system, and will offer those new products, which would be best distributed outside the DSD system, on a basis that the Company or the Bottlers will participate economically in their distribution. The Coca-Cola Company has also indicated its understanding that the marketing arrangements must be mutually advantageous from an economic perspective, reflecting contribution of value and a fair balance of economic interests. The Coca-Cola Company has also advised that its involvement with the Company will have no effect on its current agreements with the Coca-Cola Bottlers, and confirmed that products of The Coca-Cola Company that traditionally have been manufactured by bottlers and distributed by their DSD systems, carbonated soft drinks and cold fill non-carbonated beverages, will continue to go from The Coca-Cola Company to the Coca-Cola Bottlers directly.

Section 3.3 Activities of the Company. On the commencement of doing business the Company will initiate the following actions.

(i) The Company will establish and operate a procurement division (the "Procurement Division") which shall procure or arrange for the procurement of direct materials and certain indirect materials and services designated by the Board, on behalf of or in the interest of those Members that participate with, and The Coca-Cola Company to the extent it participates with, the Company in accordance with the Procurement Policies.

(ii) The Company will establish and operate a distribution division (the "Distribution Division") to distribute or manage the distribution of non-alcoholic beverage products which (1) are owned by or licensed to The Coca-Cola Company or as to which The Coca-Cola Company otherwise has the right to authorize distribution; (2) are offered to the Company; and (3) are products that the Company concludes are best distributed by routes to market other than (or in addition to) the DSD system.

(a) The Company will use as its criteria for the selection of such routes the maximization of the potential of the new product to the extent consistent with the overall best interests of the Coca-Cola bottling system. It may be that from time to time such new products should be distributed through both the DSD and non-traditional route(s) to market.

(b) The Company will not be obligated to accept all such new products from The Coca-Cola Company and will promptly inform The Coca-Cola Company if the Company has no interest in an offered product or believes the offered product needs more analysis, or if the Company concludes that any product offered to the Company should instead be distributed through the Bottlers' DSD system. Acceptance will be conditioned on (1) the Company's belief that such product can succeed and (2) coming to acceptable terms with The Coca-Cola Company. The Company will negotiate all contracts with The Coca-Cola Company related to such products as are to be managed by the Company.

(c) In the event that the Company is offered the rights to distribute a product by The Coca-Cola Company and, after deciding not to accept the offer for any reason or after exercising reasonable efforts to develop a commercially viable method to distribute such product, the Company determines not to distribute the product or to continue to distribute the product, a Member may undertake to distribute the product by an arrangement directly with The Coca-Cola Company so long as (1) such distribution is by DSD and confined to that Member's Territory, or (2) if the distribution method is other than DSD, absent a Director Extraordinary Vote authorizing the arrangement, (x) the product is not in the same product category as any product then distributed in the Coca-Cola bottling system or by the Company, and (y) if the Member is CCE or a Regional Bottler, each vote that may be cast by the Director or Directors appointed by such Member was voted in favor of distribution of the product in question by the Company.

The Company will not undertake any business activity other than ones described in this Section 3.3 absent a Director Extraordinary Vote. For the avoidance of doubt, the foregoing restriction applies to additional business initiatives and does not apply to the Company's procurement and distribution activities and does not prohibit the Company from undertaking action determined to be necessary or appropriate to carry out the two main business activities described in this Section 3.3 or other actions which do not represent a new type of business endeavor.

Section 3.4 Participation by Members. Each Member shall cooperate in good faith with the Company in accomplishing the Company's activities set forth in Section 3.3; provided that the foregoing obligation does not apply to a Member's distribution of a product in the same product category as a "Company distributed product" (as defined in Section 12.8) to the extent the Member is permitted to distribute the product pursuant to the terms of Section 12.8. Each Member shall participate with the Company in good faith on any decision or proposal the Board makes with respect to the Procurement Policies or the production, marketing, sales or distribution of a product owned by or licensed to the Company; provided, however, that nothing contained in this Agreement shall require a Member to undertake any activity with respect to a product of the Distribution Division of the Company that such Member concludes, in its sole discretion, is not reasonably likely to be economically beneficial to the Member. If the Member chooses not to participate, the Company will have the right to produce, market, sell and distribute the product in the Member's Territory and the provisions of Section 12.8 shall nonetheless be applicable. In addition, each Member agrees that the Company may obtain from The Coca-Cola Company or Members directly from time to time information about the Member's product sales volume by percentage and Territory population, maintain that information in the Company's records and provide that information to the Board to enable the Company to establish initial Percentage Interests, adjust voting privileges and appropriately allocate Profits and Losses. All such information will be held subject to the confidentiality provisions of Section 16.12, with the confidentiality obligation of the Company regarding information provided by The Coca-Cola Company about a Member running in favor of the Member involved.

Section 3.5 Non-Involvement in Certain Activities. The Company shall not undertake any action which interferes with or is otherwise in conflict with any contractual relationship between a Member (or an Affiliate thereof) and The Coca-Cola Company (or an Affiliate thereof) or between a Member and any other Person. The Company shall not produce, market, sell or distribute within the United States any Core Products, except to the extent such action is both consistent with the Company's obligation under the preceding sentence and is authorized by a Director Extraordinary Vote. For purposes of this Section 3.5, "Core Products" consist of

(i) any carbonated soft drink products of the Coca-Cola Company currently distributed by Members as reflected on **Exhibit C** attached hereto and hereby made a part hereof and the line extensions of those products, and any carbonated soft drink products hereafter distributed by Members under authority from The Coca-Cola Company and the line extensions of those products;

(ii) any cold fill non-carbonated beverage products of the Coca-Cola Company currently distributed by Members as reflected on **Exhibit C** and the line extensions of those products, and any cold fill non-carbonated beverage products hereafter distributed by Members under authority of The Coca-Cola Company and the line extensions of those products;

(iii) any other non-carbonated beverage products of the Coca-Cola Company currently distributed by Members, as reflected on **Exhibit C**, and the line extensions of those products; and

(iv) any other specific non-alcoholic beverage products of the Coca-Cola Company which The Coca-Cola Company determines are best distributed solely through the DSD system.

Section 3.6 Powers of the Company.

(i) Subject to the voting requirements imposed by this Agreement (including but not limited to those imposed by Sections 6.9 and 6.10), the Company shall have the power and authority granted by the Delaware Act to take any and all actions necessary, appropriate, proper, advisable, incidental or convenient to or for the furtherance of the activities set forth in Section 3.3, including, but not limited to, the power:

(a) to conduct its business, carry on its operations and have and exercise the powers granted to a limited liability company by the Delaware Act in any state, territory, district or possession of the United States, or in any foreign country, that may be necessary, convenient or incidental to the accomplishment of the purposes of the Company;

(b) to enter into, perform and carry out contracts of any kind, including, without limitation, contracts with The Coca-Cola Company and with its subsidiaries, divisions, Affiliates and joint ventures, with customers and suppliers and other third persons and with the Directors, the Officers, any Manager, any Member, any Affiliate thereof, or any agent or Affiliate of the Company necessary to, in connection with, convenient to, or incidental to the accomplishment of the purpose of the Company;

(c) to lend money to, act as surety, guarantor or endorser for, provide collateral for, and transact other business with third parties including Members and Affiliates of the Company;

(d) to purchase, take, receive, subscribe for or otherwise acquire, own, hold, vote, use, employ, sell, mortgage, lend, pledge, or otherwise dispose of, and otherwise use and deal in and with, any kind of property, real or personal, tangible or intangible, including without limitation shares or other interests in or obligations of domestic or foreign corporations, associations, general or limited partnerships (including, without limitation, the power to be admitted as a partner thereof and to exercise the rights and perform the duties created thereby), trusts, limited liability companies (including, without limitation, the power to be admitted as a member or appointed as a manager thereof and to exercise the rights and perform the duties created thereof), or individuals or direct or indirect obligations of the United States or of any government, state, territory, governmental district or municipality or of any instrumentality of any of them;

(e) to invest and reinvest its funds, to take and hold real and personal property for the payment of funds so loaned or invested;

(f) to sue and be sued, complain and defend, and participate in administrative or other proceedings, in its name;

(g) to appoint employees and agents of the Company, and define their duties and fix their compensation;

(h) to indemnify any Person in accordance with the Delaware Act and to obtain any and all types of insurance;

(i) to cease its activities and cancel its Certificate;

(j) to negotiate, enter into, renegotiate, extend, renew, terminate, modify, amend, waive, execute, acknowledge or take any other action with respect to any lease, contract or security agreement in respect of any assets of the Company;

(k) to borrow money and issue evidences of indebtedness, and to secure the same by a mortgage, pledge or other lien on the assets of the Company;

(1) to pay, collect, compromise, litigate, arbitrate or otherwise adjust or settle any and all other claims or demands of or against the Company or to hold such proceeds against the payment of contingent liabilities; and

(m) to make, execute, acknowledge and file any and all documents or instruments necessary, convenient or incidental to the accomplishment of the purpose of the Company.

Section 3.7 Procurement Pricing and Administrative Costs. In discharging its service function of procuring goods and services on behalf of Members that choose to participate in the Procurement Division of the Company, the Company shall use reasonable efforts to ensure that (a) such procurement is carried out in accordance with the Procurement Policies and (b) each participating Member shares fairly and equitably in such program's benefits in that, without regard to the Member's size or purchasing volume, each such Member shall be entitled to pricing for the goods and services on a comparable basis. Except under circumstances when the Board determines on the advice of the Procurement Committee that such an approach would not be in the best interests of the overall procurement system, pricing and freight will be equalized. Each participating Member shall be apportioned a share of the administrative costs of this service of the Company determined on a basis that, in the Company's judgment, gives appropriate weight to all relevant factors and results in a fair and equitable cost apportionment that is consistent with the pricing of such goods and services by the Company to its Members. CCE has agreed to participate in the procurement program. The Board shall establish such further rules and shall make decisions under the Procurement Policies as it deems necessary to maximize the effectiveness of the program relative to the specific items which a Member must agree to purchase through the Company's procurement programs if the Member is to participate in the Procurement Division. In all events, strict confidentiality is to be maintained by the Company, its Members, its Directors, its Officers, agents, and employees, and only persons with a need to

know as a requirement of discharging their duties to the Company are to have access to pricing details with respect to supply arrangements between the Company and its suppliers. Notwithstanding the limitation of Members to Coca-Cola Bottlers with Territories in the United States, (i) the operations of CCE in Canada and Bottler-owned production cooperatives shall be entitled to avail themselves of the procurement services of the Company on the same terms and conditions as are available to the Members; and (ii) the operations of The Coca-Cola Company participating in the purchase of products and services purchased by the Company for Members and non-US Coca-Cola bottlers shall also be entitled to participate in the Company's procurement programs under such rules and policies as shall be established by the Board. For the purpose of providing assurances to Members about the fairness of the operations of the Procurement Division, (x) notwithstanding the confidentiality provisions of this Agreement to the contrary, upon the request from time to time of any three or more Directors, the Company shall provide The Coca-Cola Bottlers' Association complete access to the pricing and allocation information of the procurement program to permit The Coca-Cola Bottler's Association to make and publish to the Members and the Company a determination of whether the program has been established and operates on a fair and equitable basis; and (y) the Company will provide the Members, on an annual basis, a report by independent auditors confirming that the procurement program is being administered by the staff of the Company in accordance with the Procurement Policies.

ARTICLE IV

CAPITAL CONTRIBUTIONS,

CAPITAL ACCOUNTS AND ADVANCES

Section 4.1 Initial Capital Contributions. Each Member as of January 1, 2003 will contribute that amount in United States dollars to the capital of the Company that represents the Member's Allocated Interest in the Company, multiplied by the amount of Initial Capital of the Company, which shall be determined by the Board as any amount up to $100,000. The actual contribution shall be made on or before the date selected by the Board, and the failure of a Member to make its required initial capital contribution in a timely way will result in the automatic termination of its entire interest in the Company for no compensation.

Section 4.2 No Additional Capital Contributions. No Member shall be required to make any additional capital contribution to the Company under any circumstances except as may be required by the Board of an Additional Member when it is admitted pursuant to Section 13.1. No Member shall be obligated to restore a negative capital account balance.

Section 4.3 Personal Property. A Member's Interest shall for all purposes be personal property. A Member has no interest in specific Company property.

Section 4.4 Capital Accounts.

(i) An individual Capital Account shall be established and maintained for each Member. Capital accounts are intended to be maintained in accordance with Treas. Reg. Section 1.704-1(b)(2)(iv).

(ii) The Capital Account of each Member shall be maintained in accordance with the following provisions:

(a) to such Member's Capital Account there shall be credited such Member's Capital Contributions (consisting of cash or the fair market value of any property net of any liabilities secured by such contributed property that the Company is considered to assume or take subject to under Section 752 of the Code, all as set forth on the Schedule described in Section 2.1(iv)); such Member's distributive share of Profits; and such Member's distributive share of other items of income, gain or credits; and

(b) to such Member's Capital Account there shall be debited the amount of cash and the fair market value of property distributed by the Company to such Member (net of liabilities secured by such distributed property which the Member is considered to assume or take subject to under Section 752 of the Code); such Member's distributive share of Losses; and such Member's distributive share of other items of loss or deduction.

Section 4.5 Advances; Consequences of Nonrecourse Loans.

(i) If any Member shall advance any funds to the Company in excess of its Capital Contributions, the amount of such advance shall neither increase its Capital Account nor entitle it to any increase in its share of the distributions of the Company. The amount of any such advance shall be a debt obligation of the Company to such Member and shall be subject to such terms and conditions acceptable to the Company and such Member; provided, however, that if the Member determines in good faith that the Company faces a financial emergency that immediately threatens its continuing operation, the Member may make an advance without the Company's prior approval and the terms and conditions of such advance must, under any circumstances be no more or less favorable to the Member than is commercially reasonable. Any such advance shall be payable and collectible only out of Company assets, and the other Members shall not be personally obligated to repay any part thereof.

(ii) No Person who makes any loan to the Company shall have or acquire, as a result of making such loan, any direct or indirect interest in the profits, capital or property of the Company, other than as a creditor.

ARTICLE V

MEMBERS

Section 5.1 Powers of Members. The Members shall have the power to exercise any and all rights or powers granted to the Members pursuant to the express terms of this Agreement. The Members shall have the right (i) to approve or disapprove the sale of all or substantially all of the Company's assets in one transaction or in a series of related transactions; (ii) to approve or disapprove the Company's merger with, or consolidation into, another Delaware limited liability company or other business entity (as defined in Section 18-209(a) of the Delaware Act); (iii) except as otherwise contemplated by Section 15.2, to approve or disapprove the dissolution of the Company; (iv) to select Directors as provided herein; and (v) to exercise the other rights and powers as are provided in this Operating Agreement. In addition, the Mainstream Bottlers, on the basis of a majority of the number of Mainstream Bottlers (with each Member that is a Mainstream Bottler having one vote without regard to the number of Units held by such Member), shall authorize any removal of a Mainstream Bottler from the Company pursuant to Section 6.10. Except as expressly provided herein, the Members shall have no power to bind the Company.

Section 5.2 Reimbursements. The Company may reimburse the Members for all reasonable out-of-pocket expenses incurred by the Members on behalf of the Company in accordance with policies established by the Board from time to time. Such reimbursement shall be treated as an expense of the Company that shall be deducted in computing the Net Cash Flow and shall not be deemed to constitute a distributive share of Profits or a distribution or return of capital to any Member.

Section 5.3 Partition. Each Member waives any and all rights that it may have to maintain an action for partition of the Company's property.

Section 5.4 Resignation; Disqualification. A Member may resign (i) upon (x) December 31, 2005 (or, in the case of an Additional Member, the third anniversary of its having been admitted as a Member) and (y) thereafter on December 31 of the succeeding years immediately preceding the years in which a general adjustment in membership categories is to be implemented pursuant to Section 6.1(vi), but only if in any such event the Member has given the Company at least one year's advance written notice of its intention to resign; and (ii) upon the dissolution and winding up of the Company. Upon any resignation under clause (i) of the preceding sentence, the Member shall sell and Company shall purchase all the Units of the Member on the terms and conditions set forth in Section 14.1 applicable to a resigning Member. If a Member transfers all of its Units in accordance with the provisions of Article XIV it shall be disqualified as a Member and as provided therein shall no longer be treated as a Member of the Company. In addition, if a Member becomes an Affiliate of The Coca-Cola Company, it shall be disqualified as a Member and the Member shall sell and Company shall purchase all the Units of the Member on the terms and conditions set forth in Section 14.1 applicable to such Member. A resignation or disqualification will not affect the Member's responsibilities and obligations under distribution or procurement contracts with the Company in effect as of the date of the resignation or disqualification. In addition, a resignation will not affect the Member's participation in

distribution or procurement programs to the extent, in the President's reasonable judgment, such Member's participation therein was a material condition of a distribution or procurement supply agreement in effect as of date notice of the resignation was given.

Section 5.5 Meetings of Members; Voting by Members.

(i) Meetings of Members may be held at such time and place, within or outside the State of Delaware, as shall be stated in the notice of the meeting or in a duly executed waiver of notice thereof.

(ii) Meetings of the Members or of a class of Members, for any purpose or purposes, may be called by the President and shall be called by the President or Secretary at the request in writing of the holders of twenty-five percent (25%) of the Units owned by the Members or the class of Members and also as provided in Section 6.1. Any such written request by the Members or a class of Members shall state the purpose or purposes of the proposed meeting.

(iii) Written notice of a meeting stating the place, date and hour of the meeting and the purpose or purposes for which the meeting is called, shall be given not less than 10 nor more than 60 days before the date of the meeting, to each Member entitled to vote at such meeting.

(iv) Business transacted at any meeting of Members shall be limited to the purposes stated in the notice, unless otherwise agreed by all of the Members.

(v) Subject to the provisions of Section 6.1, all voting by Members shall be on the basis of Units, each Unit shall be entitled to one vote, and no Member may split the voting of its Units on any vote.

(a) *Quorum for meetings of all Members*. The holders of that number of Units representing not less than the sum of the Units of CCE and its Affiliates and a majority of all other Units issued and outstanding and entitled to vote, present in person or represented by proxy, shall constitute a quorum for the transaction of business at all meetings open to all the Members.

(b) Quorum *for meeting of Mainstream Bottler Members*. The majority of the Members who are Mainstream Bottlers, present in person or by proxy (and ***not*** the owners of a majority of the Units held by Mainstream Bottlers) shall constitute a quorum for the transaction of business by that class of Members.

If, however, a quorum shall not be present or represented at any meeting of the Members or class of Members, the Members entitled to vote thereat, present in person or represented by proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented any business may be transacted which might have been transacted at the

meeting as originally notified. If the adjournment is for more than 30 days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each Member of record entitled to vote at the meeting.

(vi) When a quorum is present at any meeting of all the Members, the vote of Members holding that number of Units not less than the sum of the Units of CCE and its Affiliates and a majority of all other Units, present in person or represented by proxy, shall decide any question brought before such meeting, unless the question is one upon which, by the Delaware Act or an express provision of this Agreement, a different vote is required, in which case such express provision shall govern. When a quorum is present at any meeting of a class of Members, the vote shall be as required by the express provision of this Agreement that is applicable to the vote at such meeting.

(vii) Unless otherwise provided in this Agreement, at every meeting of the Members or a class of Members at which a Member is entitled to vote, such Member shall be entitled to vote in person or by proxy, but no proxy shall be recognized after three years from its date, unless the proxy provides for a longer period.

(viii) Members may participate in a meeting of the Members or a class of Members by means of conference telephone or similar communications equipment, provided all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at the meeting. If all the participants are participating by conference telephone or similar communications equipment, the meeting shall be deemed to be held at the principal place of business of the Company.

(ix) Unless otherwise provided in this Agreement, any action required to be taken at any meeting of the Members (or class of Members) or any action which may be taken at any meeting of such Members (or class), may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, shall be signed by Members holding the number of Units not less than the minimum number of Units that would be necessary to authorize or take such action at a meeting at which all Members entitled to vote thereon were present and voted. Prompt notice of the taking of the action without a meeting by less than unanimous consent shall be given to those Members who have not consented in writing.

ARTICLE VI

MANAGEMENT

Section 6.1 Board of Directors.

(i) The business and affairs of the Company shall be managed by or under the direction of its managers, namely a committee of the Company (the “Board”) consisting of natural persons who are selected as directors of the Company as provided below (each

a “Director” and any two or more “Directors”). If the President of the Company is not also a Director, the President shall be an ex officio, non-voting member of the Board. All Directors shall, when elected, be owners or members of senior management of Members. Each Director may appoint one or more alternates to act in his or her absence in accordance with procedures to be adopted by the Board.

(ii) Subject to adjustment as provided below, there shall be up to sixteen (16) Directors, consisting of (a) from one (1) to eight (8) National Bottler Directors, who among them shall have the authority, in the aggregate, to cast eight votes; (b) six (6) Regional Bottler Directors, each of whom shall have the authority to cast one vote; and (c) two (2) Mainstream Bottler Directors, each of whom shall have the authority to cast one vote. Directors shall be elected for three (3) year terms.

(iii) All National Bottler Directors shall initially be elected by CCE, in its capacity as a Member, and CCE and its Affiliates shall in no event elect any Directors other than the National Bottler Directors. For so long as CCE and its Affiliates have 50% or more of the Sales Volume, the National Bottler Directors shall have the authority to cast eight votes. In the event that CCE and its Affiliates have: (I) less than 50% but at least 43.75% of the Sales Volume, the National Bottler Directors shall have the authority to cast seven votes; (II) less than 43.75% but at least 37.5% of the Sales Volume, the National Bottler Directors shall have the authority to cast six votes; and (III) there shall be one additional vote reduction for each additional 6.25% reduction in relative Sales Volume of CCE and its Affiliates. The number of National Bottler Directors in office shall never exceed, but may be less than, the number of votes the National Bottler Directors then have the authority to cast.

(iv) Each Regional Bottler Director shall be separately selected by a Regional Bottler; provided that each Large Regional Bottler, if any, shall be entitled to elect two (2) Regional Bottler Directors. For so long as CCE and its Affiliates have 50% or more of the Sales Volume, there shall be six (6) Regional Bottler Directors. For each one-vote reduction in the voting power of the National Bottler Directors in accordance with Section 6.1(iii), the number of Regional Bottler Directors (and of Regional Bottlers) shall be increased by one.

(v) There shall be two (2) Mainstream Bottler Directors and the Mainstream Bottlers shall elect the Mainstream Bottler Directors on the basis of a majority of the number of Mainstream Bottlers (with each Member that is a Mainstream Bottler having one vote without regard to the number of Units held by such Member).

(vi) The classification of a Member as a Regional Bottler, a Large Regional Bottler or a Mainstream Bottler, and the determination of whether the number of Regional Bottler Directors and National Bottler Directors shall be adjusted as provided in Sections 6.1(iii) and (iv) above, shall be made and determined by the President, subject to the approval of the Board, every third year as of April 1 of the adjustment year based on the Members’ Sales Volume for the preceding three calendar year period. The first adjustment year will be 2006. Notwithstanding the foregoing, if during the interim

between the regular adjustments any Regional Bottler ceases to qualify as a Regional Bottler because it becomes Affiliated with CCE or The Coca-Cola Company, becomes a controlled Affiliate of another Regional Bottler or otherwise, the President, subject to the approval of the Board, promptly shall designate the largest Mainstream Bottler, based on the Members' Sales Volume for the immediately preceding three calendar year period, as the replacement Regional Bottler.

(vii) The natural Persons who shall serve as the initial Directors of the Company are listed on **Exhibit D** attached hereto and hereby made a part hereof and the initial Members entitled to select Directors are deemed to have so selected them. Those Members entitled to select one or more members of a class of Directors as set forth above shall elect the Director or Directors of such class to serve until replaced hereunder. Any Member that becomes a Regional Bottler under Section 6.1(iv) which has not previously appointed a Regional Bottler Director shall promptly do so; any Regional Bottler Director who was appointed by a Member which is no longer a Regional Bottler shall be immediately disqualified and shall be replaced as provided in Section 6.1(ix)(b); and the other Regional Bottlers and the Mainstream Bottlers may, if they choose, replace their Directors as provided herein. Each Director elected shall hold office until a successor is elected and qualified or until such Director's earlier death, resignation, removal or automatic disqualification.

(viii) The authorized number of Directors and the number of each class of Directors may be increased or decreased by the affirmative vote of Members holding Units equal to the sum of the Units held by CCE and its Affiliates and seventy-five percent (75%) of all other Units if, and only if, at least eighty percent (80%) of the Units held by Members who may vote for the affected class of Director vote in favor of the change (or, if the affected class is the Mainstream Bottler Directors, by eighty percent (80%) of the number of Mainstream Bottlers, regardless of their Unit ownership).

(ix) Vacancies in Director positions, including those caused by automatic disqualification of a Director under Section 6.7(iii), shall be filled promptly following the occurrence of the vacancy and in any event within 60 days thereof, as follows:

(a) A National Bottler Director vacancy shall be filled by selection of a new Director by CCE.

(b) Subject to the remaining provisions of this Section 6.1(ix)(b), a Regional Bottler Director vacancy caused by the removal, resignation, disqualification or death of a Regional Bottler Director shall be filled by selection of a new Director by the Regional Bottler that selected the Director who vacated the office. If that Regional Bottler has become an Affiliate of CCE, a controlled Affiliate of another Regional Bottler or of The Coca-Cola Company, or has ceased to exist, the vacant directorship shall instead be selected by the Member that will become a Regional Bottler under Section 6.1 (vi) (i.e., the largest Member, in terms of Sales Volume, that was previously a Mainstream Bottler).

(c) A Mainstream Bottler Director vacancy shall be filled by election at a special meeting of the Mainstream Bottlers, or through such other process as is determined by such Mainstream Bottlers, and they shall elect such Director's successor by majority vote of the Mainstream Bottlers (and not by majority vote of their Units); provided, however, that a Mainstream Bottler that has (I) become a controlled Affiliate of another Member or (II) ceased to exist, shall not be eligible to vote in such election and only the remaining Mainstream Bottlers shall select the successor Director by majority vote of such Members (and not by majority vote of their Units).

(x) Each Member that becomes an Affiliate of another Member shall give notice thereof to the Company not later than ten (10) days after the closing of the transaction in which the Member became an Affiliate. Each Member that enters into a transaction or adopts a plan under which it will cease to have a legal existence shall give notice thereof to the Company upon entering into such transaction or adopting such plan. The Company shall give notice of each such event as to which it is provided notice to each other Member whose voting rights may be affected hereunder within thirty (30) days after the Company's receipt of notice of such event. No Director who has become disqualified to serve as a Director for any reason shall be entitled to vote on any matter submitted to a vote of Directors and, in each case where such disqualification has occurred, the Member or class or classes of Members affected by such disqualification shall be entitled to replace the disqualified Director in the manner described herein before any such vote is effected.

Section 6.2 Meetings of the Board. There shall be a minimum of four Board meetings each year. The Board may hold meetings, both regular and special, within or outside the State of Delaware. The first meeting of each newly elected Board shall be held immediately after the annual meeting of Members, if any, and at the same place, and no notice of such meeting shall be necessary to the newly elected Directors in order legally to constitute the meeting, provided a quorum shall be present. In the event there is no annual meeting of the Members or such Board meeting is not held at that time and place, the first meeting of the newly elected Board may be held at such time and place as shall be specified in a notice given as hereinafter provided for special meetings of the Board, or as shall be specified in a written waiver signed by all of the Directors. At such meeting the newly elected Directors shall elect a Chair who shall preside over that meeting of the Board and all subsequent meetings of the Board and of the Members until the next Chair is elected. The Chair shall be elected by a Director Regular Vote; provided, however, that the holder of the Chair shall be a National Bottler Director at all times that CCE's Percentage Interest is fifty percent (50%) or greater, and, provided further, the first Chair shall be Norman P. Findley, III. Mr. Findley shall hold a three year term and may continue as Chair if he retires as an employee of CCE during such term. Regular meetings of the Board may be held without notice at such time and at such place as shall from time to time be determined by the Board. Special meetings of the Board may be called by the President on three (3) days' notice to each Director, either personally, by telephone, by mail, by telecopy or by any other means of communication; special meetings shall be called by the President or Secretary in like manner and on like notice on the written request of two or more of the Directors.

Section 6.3 Quorum and Acts of the Board and of Committees. At all meetings of the Board sixty-six and two-thirds percent (66 2/3%) of the voting power of the Directors, present in person or by proxy, shall constitute a quorum for the transaction of business and, except as otherwise expressly provided in Section 6.10 or any other provision of this Agreement, a Director Regular Vote shall be the act of the Board. If a quorum shall not be present at any meeting of the Board, the Directors present may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present. Voting requirements for committees established by the Board, including the Procurement Committee and the Distribution Committee, shall be as established by the Board. Any action required or permitted to be taken at any meeting of the Board or of any committee thereof may be taken without a meeting, if the members of the Board or committee, as the case may be, unanimously consent thereto in writing and the writing or writings are filed with the minutes of proceedings of the Board or committee. Unless otherwise provided in this Agreement, at every meeting of the Directors at which a Director is entitled to vote, such Director shall be entitled to vote in person or by proxy, but no proxy shall be recognized after three years from its date, unless the proxy provides for a longer period; provided, however, that National Bottler Directors may cast their eight votes (or such lesser number of votes as they then have the authority to cast) at a Board meeting if and only if at least two National Bottler Directors are actually present at the meeting and agree on how the votes shall be cast.

Section 6.4 Electronic Communications. Members of the Board, or any committee designated by the Board, may participate in a meeting of the Board, or any committee, by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at the meeting. If all the participants are participating by conference telephone or similar communications equipment, the meeting shall be deemed to be held at the principal place of business of the Company.

Section 6.5 Committees. The Board shall designate at least two operating committees, the Procurement Committee and the Distribution Committee, the members of which shall be selected by the Board. The Board may, by resolution passed by a Director Regular Vote, designate one or more additional committees. Any such committee may consist of one or more Directors or one or more natural persons who are not Directors; provided, however, that the membership of the Procurement Committee shall always include a broad representation from Members for whom procurement is undertaken by the Company and from employees of The Coca-Cola Company, to the extent that the Company is engaged in substantial procurement activities on behalf of The Coca-Cola Company; and, provided, further, that the membership of the Distribution Committee may, if the Board deems appropriate, also include representation from The Coca-Cola Company.

In selecting the membership of any given committee, the Board shall consider the committee’s function and the extent to which the class membership of any Directors on the committee should reflect the class membership of the Board as a whole. The Board may designate one or more persons as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In no event shall more than one-half of a committee’s votes be held by Directors who are National Bottler Directors.

Any such committee, to the extent expressly provided in a resolution of the Board, shall have and may exercise all the powers and authority of the Board in the management of the business and affairs of the Company, but no such committee shall have the power or authority to take any of the actions described in Section 6.9 or Section 6.10 of this Agreement unless authorized by unanimous vote or written consent of the Board. The powers and authorities of the Procurement and the Distribution Committees, respectively, shall be as determined by the Board from time to time, but shall include providing the Company and the Board with the benefit of the knowledge and insights of Committee members in developing effective plans, strategies and tactics in the functional areas addressed by each Committee. Such committee or committees designated in addition to the Procurement and the Distribution Committees shall have such name or names as may be determined from time to time by resolution adopted by the Board. Each committee shall keep regular minutes of its meetings and report the same to the Board when required.

Section 6.6 Expenses. The Directors may be paid their reasonable expenses, if any, of attendance at any meeting of the Board. No such payment shall preclude any Director from serving the Company in any other capacity and receiving compensation therefor. Members of special or standing committees may be allowed like reimbursement of reasonable expenses for attending committee meetings.

Section 6.7 Removal, Resignation and Automatic Disqualification of Directors.

(i) Unless otherwise restricted by Law, Directors may be removed, with or without cause, (a) in the case of a National Bottler Director, by CCE; (b) in the case of a Regional Bottler Director, by the Regional Bottler which appointed the Director; and (c) in the case of a Mainstream Bottler Director, by a vote of sixty-six and two-thirds percent (66 2/3%) of the Mainstream Bottlers (with each Member that is a Mainstream Bottler having one vote without regard to the number of Units held by such Member).

(ii) A Director may resign by written notice signed by the Director resigning and delivered to the Member that selected the Director or the Members that were in the group that elected that Director, the other Directors, and the President. Unless otherwise specified in the notice, the resignation will become effective sixty (60) days after the date the notice was given.

(iii) A Regional Bottler Director shall be automatically disqualified from office and shall immediately cease to serve as a Director if the Regional Bottler that elected such Director thereafter becomes an Affiliate of CCE, a controlled Affiliate of another Regional Bottler or of The Coca-Cola Company or otherwise ceases to be a Regional Bottler or ceases to exist. A Mainstream Bottler Director shall be automatically disqualified from office and shall immediately cease to serve as a Director if such Director is an employee of a Mainstream Bottler or an Affiliate thereof and after such Director is elected such Mainstream Bottler either ceases to exist or becomes an Affiliate of The Coca-Cola Company, CCE or a Regional Bottler.

Section 6.8 Directors as Agents. The Directors, to the extent of their powers set forth in this Agreement, are agents of the Company for the purpose of the Company's business, and the actions of the Directors taken in accordance with and subject to the terms and limitations of this Agreement shall bind the Company. No Director shall have the authority to bind the Company, to execute contracts or to expend funds unless such action has been authorized by the requisite Director vote.

Section 6.9 Actions Requiring A Director Regular Vote. Notwithstanding any other provision of this Agreement to the contrary, the Company shall not take any of the following actions unless authorized to do so by a Director Regular Vote:

(i) subject to the provisions of Section 5.1, the sale, exchange or other disposition of any of the assets of the Company in a single transaction or in a series of related transactions, with a fair market value in excess of ten percent (10%) of net asset value, except for sales in the ordinary course of business;

(ii) the commencement of a voluntary proceeding seeking reorganization or other relief with respect to the Company or any of controlled Affiliate of the Company under any bankruptcy or other similar law or seeking the appointment of a trustee, receiver, custodian or other similar official of the Company or any Affiliate or any substantial part of its property, or the making by the Company or any Affiliate of a general assignment for the benefit of creditors;

(iii) the declaration or making of any distributions to Members, except distributions of the Tax Amount as set out in Section 9.4 of this Agreement;

(iv) the entering into of any material contract of any nature with (a) The Coca-Cola Company or (b) any Member or its Affiliates, and, in each case, any material amendment, early termination or renewal thereof;

(v) the distribution of products outside of the DSD system or the entering into by the Company of any joint venture, partnership, subcontracting, license, sub-license, manufacturing, marketing, distribution or other similar arrangement with any Person and the disposition of the Company's interest therein, except as contemplated by a business plan or other plan previously approved by the Board with respect to the management of the Company beverage distribution business;

(vi) the entering into by the Company of any agreement, facility, commitment, guaranty, instrument or other undertaking providing for, or relating to, the incurrence of any indebtedness for borrowed money by the Company, except to the extent specifically authorized in a business plan approved by the Board;

(vii) the formation, organization or liquidation of any subsidiary of the Company and the appointment of directors of (or persons with comparable authority with respect to) any such subsidiary;

(viii) the issuance, sale, or, except as otherwise specifically contemplated by Section 14.1(ii), repurchase by the Company of any Interest or other equity interest (or option, warrant, conversion or similar right with respect to any equity interest) in or of the Company;

(ix) the commitment to any material capital expenditure by the Company in any Fiscal Year of the Company, except to the extent specifically authorized in a business plan approved by the Board;

(x) the adoption or any significant amendment of the Company's annual and long term business plan and annual operating budget for the Company (or any updates to any of them);

(xi) the selection and dismissal of Officers and other senior management, the determination of the duties of Officers, and the entering into, amendment or termination of employment contracts with Officers or any other contracts with Directors, Officers, members of senior management, or their respective Affiliates;

(xii) the appointment or change of the independent auditors of the Company;

(xii) the acquisition or lease by the Company of any real property, or any sale, lease or sublease of, or similar arrangement affecting, any real property owned or leased by the Company, except to the extent specifically authorized in a business plan approved by the Board;

(xiv) the incurrence or assumption of any material liability or obligation, whether contractually or otherwise, by the Company, except to the extent specifically authorized in a business plan approved by the Board;

(xv) the making of any political contributions, except to the extent specifically authorized in a business plan approved by the Board;

(xvi) the making of any charitable contributions, except to the extent specifically authorized in a business plan approved by the Board;

(xvii) (a) any change in accounting principles, methods or practices of the Company other than those necessary to conform with generally accepted accounting principles; (b) any voluntary change in the fiscal year of the Company or any subsidiary; (c) any voluntary change in the taxable year or method of tax accounting for income tax purposes of the Company or any subsidiary; or (d) the conversion by the Company to a different method of taxation as contemplated by Section 11.3;

(xiii) approval of the annual financial statements of the Company and its subsidiaries;

(xix) initiation or settlement of any judicial, administrative or arbitration proceedings involving the Company or any subsidiary, or the payment or settlement of any claim involving the Company or any subsidiary which exceeds two hundred thousand U.S. dollars (US $200,000); and

(xx) entering into of any contract or other agreement having a term greater than two (2) years or involving a sum greater than ten million U.S. dollars (US $10,000,000) per annum or the equivalent in any other currency, or the modification of any material term of any such contract or agreement, including, without limitation, modifications of payment terms, extensions and cancellations, except to the extent specifically authorized in a business plan approved by the Board.

Section 6.10 Actions Requiring A Director Extraordinary Vote. Notwithstanding any other provision of this Agreement to the contrary, the Company shall not take any of the following actions unless authorized to do so by a Director Extraordinary Vote:

(i) Undertake any new business activities beyond those specified in Section 3.3, or terminate the functions of either the Distribution Division or the Procurement Division.

(ii) Any action requiring a Director Extraordinary Vote as provided in Sections 3.3(ii)(c), 3.5 or 12.8(i).

(iii) Restrict payment of a Tax Distribution under Section 9.4.

(iv) Determine the “Fair V!alue” of a Member’s Units under the valuation procedures applicable under Section 14.1(ii) when a Member becomes Affiliated with The Coca-Cola Company, unless that determination is effected by mutual agreement with the Member in question.

(v) Subject to Section 5.1, dissolve the Company pursuant to Section 15.2(i).

(vi) Impose a sanction reasonably determined to be appropriate by the Board on a Member for violating its commercial obligations hereunder regarding the Procurement Division or the Distribution Division. Sanctions could include, without limitation, loss of right to participate, in whole or in part, in future profits of one or more products or services, loss of right to participate, in whole or in part, in one or more of the divisions, businesses or services of the Company or, subject to Section 5.1, removal from membership in the Company. Sanctions will not be implemented under this Section 6.10(vi) unless the Company gives the Member notice of the violations and a reasonable period of time as determined by the Board in which to cure the violations, which period of time shall be not less than 30 days after the date the notice is given.

(vii) Subject to Section 5.1, remove any Member from membership in the Company. In voting to remove a Member under this clause (vii), the Directors shall be guided by whether, in their judgment, the Member has engaged in activity that has had, or

is expected to have, a negative impact on the Company, the development of its goals, or its operations. All the Units of any Member who is so removed shall be sold by the Member and purchased by the Company in accordance with Section 14.1(ii). The removal of a Member will not affect the Member's procurement contracts with the Company in effect as of the date of the removal. A Member will not be removed under this Section 6.10(vii) unless the Company gives the Member notice of the activity and a reasonable period of time as determined by the Board in which to modify its conduct, which period of time shall be not less than 30 days after the date the notice is given.

ARTICLE VII

OFFICERS

Section 7.1 Officers. The Board may select, as provided in Section 6.9, natural persons who are agents or employees of the Company to be designated as officers of the Company ("Officers"), with such titles as the Board shall determine. Any number of offices may be held by the same person, except that the offices of President, Secretary and Treasurer shall be held by different persons. The Board at its first meeting after each meeting of Members at which Directors are selected shall choose a President, a Secretary and a Treasurer. The Board may appoint such other Officers and agents as it shall deem necessary who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined, as provided in Section 6.9, from time to time by the Board. The salaries of all Officers and agents of the Company shall be fixed by or in the manner recommended by the President and prescribed by the Board. The Officers shall hold office until their successors are chosen and qualify. Any Officer may be removed at any time by a Director Regular Vote with or without cause and any vacancy occurring in any office of the Company may be filled by a like vote.

Section 7.2 The Chairman of the Board. The Chairman of the Board shall serve as the chair of all meetings of the Board and of any committees of the Company upon which he or she may serve and shall have such other duties and responsibilities as the Board may from time to time determine. The Chairman of the Board shall be a Director but need not otherwise be an agent or employee of the Company.

Section 7.3 The President. The President shall be the chief executive officer of the Company, shall have general and active management of the business of the Company and shall see that all orders and resolutions of the Board are carried into effect. The President shall execute bonds, mortgages and other contracts, except where required or permitted by Law to be otherwise signed and executed and except where signing and execution thereof shall be otherwise authorized or delegated or except as otherwise permitted in Section 7.4.

Section 7.4 The Vice President. In the absence of the President or in the event of the President's inability to act, the Vice President, if any (or in the event there be more than one Vice President, the Vice Presidents in the order designated by the Directors, or in the absence of any designation, then in the order of their election) shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the

President. The Vice Presidents, if any, shall perform such other duties and have such other powers as the Board may from time to time prescribe.

Section 7.5 The Secretary. The Secretary shall be responsible for filing legal documents and maintaining records for the Company. The Secretary shall attend all meetings of the Board and all meetings of the Members and record all the proceedings of the meetings of the Company and of the Board in a book to be kept for that purpose and shall perform like duties for the standing committees when required. The Secretary shall give, or cause to be given, notice of all meetings of the Members and special meetings of the Board, and shall perform such other duties as may be prescribed by the Board or President, under whose supervision the Secretary shall be.

Section 7.6 The Treasurer. The Treasurer shall have the custody of the Company funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Company and shall deposit all moneys and other valuable effects in the name and to the credit of the Company in such depositories as may be designated by the Board. The Treasurer shall disburse the funds of the Company as may be ordered by the Board, taking proper vouchers for such disbursements, and shall render to the President and the Board, at its regular meetings, or when the Board so requires, an account of all of the Treasurer's transactions and of the financial condition of the Company.

Section 7.7 Officers as Agents. The Officers, to the extent of their powers set forth in this Agreement or otherwise vested in them by action of the Board, are agents of the Company for the purpose of the Company's business, and the actions of the Officers taken in accordance with such powers shall bind the Company.

Section 7.8 Duties of Directors and Officers. Each Director and Officer shall have the fiduciary duties of loyalty and care similar to those of directors and officers of business corporations organized under the General Corporation Law of the State of Delaware and shall owe such duties to the Company and to all of its Members.

ARTICLE VIII

ALLOCATIONS

Section 8.1 Profits and Losses.

(i) Subject to the allocation rules of Section 8.2, Profits for any Fiscal Year shall be allocated among the Members in proportion to their Percentage Interests.

(ii) Subject to the allocation rules of Section 8.2, Losses for any Fiscal Year shall be allocated among the Members in proportion to their Percentage Interests.

Section 8.2 Allocation Rules.

(i) For purposes of determining the Profits, Losses or any other items allocable to any period, Profits, Losses and any such other items shall be determined on a daily, monthly or other basis, as determined by a Director Regular Vote using any method that is permissible under § 706 of the Code and the Treasury Regulations thereunder.

(ii) Except as otherwise provided in this Agreement, all items of Company income, gain, loss, deduction and any other allocations not otherwise provided for shall be divided among the Members in the same proportions as they share Profits and Losses for the Fiscal Year in question.

(iii) To the extent that the taxing authorities recharacterize as a distribution an amount initially treated by the Company as a payment made to a Member other than in its capacity as a Member, a guaranteed payment under section 707(c) of the Code or some other form of payment deductible to the Company, then the allocation of Profits and Losses shall be adjusted such that an amount equal to the amount so recharacterized is allocated to the recipient Member as an item of income or gain.

(iv) The Members are aware of the income tax consequences of the allocations made by this Article VIII and hereby agree to be bound by the provisions of this Article VIII in reporting their shares of Company income and loss for income tax purposes.

(v) The Members intend that the allocation provisions set forth in this Agreement shall comply with Section 704(b) of the Code and the Treasury Regulations issued thereunder and the provisions are to be interpreted in a manner consistent with those Treasury Regulations.

Section 8.3 Tax Allocations.

(i) Section 704(c). In accordance with Section 704(c) of the Code and the Treasury Regulations thereunder, income, gain, loss and deduction with respect to any property contributed to the capital of the Company shall, solely for income tax purposes, be allocated among the Members so as to take account of any variation between the adjusted basis of such property to the Company for federal income tax purposes and its initial fair market value.

(ii) Section 754 Adjustments. To the extent an adjustment to the adjusted tax basis of any Company asset pursuant to Section 734(b) or Section 743(b) of the Code is required, pursuant to Treasury Regulation Section 1.704-1(b)(2)(iv)(m), to be taken into account in determining capital accounts, the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis) and such gain or loss shall be allocated to the Members in accordance with Treasury Regulation Section 1.704-1(b)(2)(iv)(m).

Section 8.4 Section 754 Election. Upon written request of any Member, the Tax Matters Partner shall make an election pursuant to section 754 of the Code to adjust the basis of

the Company's property in the manner permitted by sections 734(b) and 743(b) of the Code. Subject to a Director Regular Vote, the Tax Matters Partner may revoke such an election.

ARTICLE IX

DISTRIBUTIONS

Section 9.1 Net Cash Flow. Except as otherwise provided in Article XV hereof (relating to the dissolution of the Company), any distribution of the Net Cash Flow during any Fiscal Year shall be made to the Members in proportion to their Percentage Interests.

Section 9.2 Distribution Rules. Except as provided in Section 9.4, all distributions pursuant to Section 9.1 shall be discretionary and shall be authorized, if at all, by the Board at such times and in such amounts as shall be determined by the Board pursuant to Section 6.9.

Section 9.3 Limitations on Distribution. Notwithstanding any provision to the contrary contained in this Agreement, the Company, and the Board on behalf of the Company, shall not make a distribution to any Member on account of its interest in the Company if such distribution would violate Section 18-607 of the Delaware Act or other applicable Law.

Section 9.4 Distribution of the Tax Amount. At any time the Company is treated for federal income tax purposes as a partnership, then, subject to any limitation imposed by the Delaware Act or other applicable law, absent a Director Extraordinary Vote to the effect that it is in the best interests of the Company not to make such a distribution, the Company shall distribute with respect to each of its taxable years the "Tax Amount" to the Members in accordance with their respective Percentage Interests. The Tax Amount for a taxable year shall be determined by multiplying an amount equal to the Company's taxable income (as defined below) for such year by a percentage that is equal to the sum of: (i) the highest state tax rate applicable to any Member for the year, and (ii) the highest federal individual or corporate income tax rate for that year reduced by the product of such highest federal rate and the state tax rate determined under clause (i). As used herein, taxable income shall mean the Company's taxable income as determined for federal income tax purposes under Section 703 of the Code, disregarding the provisions of Section 703(a)(1). To the extent feasible, the Company shall make partial distributions of the Tax Amount for a taxable year, based on its best estimates from the information available to it at the time of the distribution, sufficiently prior to estimated tax payment dates for that year to permit the Members conveniently to pay their estimated taxes on their share of the Company's income. On or before March 10 of the year following the year as to which the Tax Amount relates the Company shall make such additional distributions, if any, which, when added to prior partial distributions of the Tax Amount for that year, equals the Company's good faith estimate of the Tax Amount based on the information available to it at that time from its regularly employed accountant or accounting firm. Not later than the time the Company's federal income tax return for the year to which the Tax Amount relates is filed, the Company shall distribute an amount, if any, equal to the difference between the Tax Amount as calculated on the basis of the information on such return and the partial distributions of that Tax Amount previously made. If at the time of the filing of such return the Company determines it has distributed more than the Tax Amount for the year to which the Tax Amount relates, the

excess shall be treated as a partial distribution of the Tax Amount for the next following taxable year.

ARTICLE X

BOOKS AND RECORDS

Section 10.1 Books, Records and Financial Statements.

(i) At all times during the continuance of the Company, the Company shall maintain, at its principal place of business, separate books of account for the Company that shall show a true and accurate record of all costs and expenses incurred, all charges made, all credits made and received and all income derived in connection with the operation of the Company business in accordance with generally accepted accounting principles consistently applied, and, to the extent inconsistent therewith, in accordance with this Agreement. Such books of account, together with a copy of this Agreement and of the Certificate, shall at all times be maintained at the principal place of business of the Company and, subject to the confidentiality provisions of this Agreement, shall be open to inspection and examination at reasonable times by each Member and its duly authorized representative for any purpose reasonably related to such Member's interest in the Company.

(ii) The Company, and the Board on behalf of the Company, shall prepare and maintain, or cause to be prepared and maintained, the books of account of the Company. The Company, and the Board on behalf of the Company, shall prepare and file, or cause to be prepared and filed, all applicable federal and state tax returns.

Section 10.2 Accounting Method. For both financial and tax reporting purposes and for purposes of determining Profits and Losses, the books and records of the Company shall be kept on the accrual method of accounting applied in a consistent manner in accordance with generally accepted accounting principles and shall reflect all Company transactions and be appropriate and adequate for the Company's business.

Section 10.3 Financial Statements. The Officers shall cause to be prepared and promptly delivered to the Members (a) unaudited quarterly financial statements of the Company (reviewed by the independent certified public accountant for the Company) within twenty-five (25) days immediately following the end of each fiscal quarter of the Company and (b) audited annual financial statements of the Company within fifty (50) days immediately following the end of each fiscal year of the Company. Upon the request of one or more Members to enable the Members to comply with regulatory reporting requirements, the Board shall adjust the foregoing time periods if practical, with the incremental costs associated therewith to be allocated as the Board determines.

ARTICLE XI

TAX MATTERS

Section 11.1 Tax Matters Partner.

(i) CCE is hereby designated as "Tax Matters Partner" of the Company for purposes of § 6231(a)(7) of the Code. The Board may from time to time by a Director Regular Vote require that the Tax Matters Partner submit to the Board for prior approval such actions as may be designated by the Board.

(ii) The Tax Matters Partner shall provide to each Member copies of all notices or other information specified in and in accordance with Treasury Regulation §301.6223(g)-1.

Section 11.2 Taxation as Partnership. The Company shall be treated as a partnership for U.S. federal income tax purposes.

Section 11.3 Potential Conversion to Taxable Corporation Status. The Company shall review and consider from time to time whether it should elect to be taxed as a corporation under Subchapter C of the Code, given the types of assets it holds, the income it produces, the impact of its income on the Members, the indemnity costs incurred under Section 12.7, and the tax consequences of such an election.

ARTICLE XII

LIABILITY, EXCULPATION, INDEMNIFICATION

AND OTHER BUSINESSES AND BUSINESS OPPORTUNITIES

Section 12.1 Liability. Except as otherwise expressly required by the Delaware Act, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the Company, and no Member, Officer or Director shall be obligated personally for any such debt, obligation or liability of the Company solely by reason of being a Member, Officer or Director.

Section 12.2 Exculpation.

(i) No Covered Person shall be liable to the Company or any other Covered Person for any loss, damage or claim incurred by reason of any act or omission performed or omitted by such Covered Person in good faith on behalf of the Company and in a manner reasonably believed to be within the scope of authority conferred on such Covered Person by or pursuant to this Agreement, except that a Covered Person shall be liable for any such loss, damage or claim incurred by reason of such Covered Person's gross negligence or willful misconduct.

(ii) A Covered Person shall be fully protected in relying in good faith upon the records of the Company and upon such information, opinions, reports or statements presented to the Company by any Person as to matters the Covered Person reasonably believes are within such other Person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Company, including information, opinions, reports or statements as to the value and amount of the assets, liabilities, Profits, Losses or Net Cash Flow or any other facts pertinent to the existence and amount of assets from which distributions to Members might properly be paid.

Section 12.3 Fiduciary Duty. To the extent that, at law or in equity, a Covered Person has duties (including fiduciary duties) and liabilities relating thereto to the Company or to any Member, Officer or Director, a Covered Person acting under this Agreement shall not be liable to the Company or to any Member or Manager for its good faith reliance on the provisions of this Agreement.

Section 12.4 Indemnification of a Covered Person. To the fullest extent permitted by applicable Law, a Covered Person shall be entitled to indemnification from the Company for any loss, damage or claim incurred by such Covered Person by reason of any act or omission performed or omitted by such Covered Person in good faith on behalf of the Company and in a manner reasonably believed to be within the scope of authority conferred on such Covered Person by this Agreement, except that no Covered Person shall be entitled to be indemnified in respect of any loss, damage or claim incurred by such Covered Person by reason of gross negligence or willful misconduct with respect to such acts or omissions; provided, however, that any indemnity under this Section 12.4 shall be provided out of and to the extent of Company assets only, and no Covered Person shall have any personal liability with respect to such indemnity.

Section 12.5 Expenses of a Covered Person. To the fullest extent permitted by applicable law, reasonable expenses (including reasonable legal fees) incurred by a Covered Person in defending any claim, demand, action, suit or proceeding shall, from time to time upon approval of the Board, be advanced by the Company prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Company of an undertaking, satisfactory to the Board, by or on behalf of the Covered Person to repay such amount if it shall be determined that the Covered Person is not entitled to be indemnified as authorized in Section 12.4.

Section 12.6 Insurance. The Company may purchase and maintain insurance, to the extent and in such amounts as the Board shall, in its sole discretion, deem reasonable, on behalf of Covered Persons and such other Persons as the Board shall determine, against any liability that may be asserted against or expenses that may be incurred by any such Person in connection with the activities of the Company or such indemnities, regardless of whether the Company would have the power to indemnify such Person against such liability under the provisions of this Agreement. The Company may enter into indemnity contracts with Covered Persons and such other Persons as the Board shall determine and adopt written procedures pursuant to which arrangements are made for the advancement of expenses and the funding of obligations under Section 12.5 and containing such other procedures regarding indemnification as are appropriate.

Section 12.7 Indemnification of Certain State Tax Return Preparation and Audit Expenses. The Company shall indemnify each Member against: (a) the reasonable costs and expenses incurred, including but not limited to professional fees incurred, by the Member for state tax return preparation and the filing of such return or returns in one or more states of the United States in which the Member would not be required to file such return or returns if the Member were not a Member of the Company; and (b) the reasonable costs and expenses incurred, including but not limited to professional fees incurred, associated with any audit of any such return (or any audit asserting the Member is required to file such a return), conducted by any such state's revenue authorities; provided, however, that in no event shall the Company be obligated under this provision to reimburse a Member for any tax, interest or penalty incurred by the Member in such state or states. The Member seeking indemnification of any such costs or expenses shall submit to the Company a written statement signed by the Member's chief financial officer and its outside accountants certifying that to the best of their knowledge and belief the Member would not be required to file the return at issue in the state or states involved if it were not a Member of the Company and itemizing the expenses incurred. The Company shall, within 30 days after receipt of the foregoing statement, pay or reimburse the Member for all such expenses to which the Company does not object and shall list in a written notice to the Member its objections to any of the expenses that it does not pay or reimburse. If the Member and the Company can not resolve any dispute as to whether a cost or expense is to be reimbursed or the amount to be reimbursed within 60 days after the Company delivers its notice containing its objections, the matter shall be eligible for arbitration under Section 16.3 at the request of the Member or the Company. Any payment made by the Company under this Section 12.7 shall be considered an expense of the Company (and not a distribution) and shall be accounted for as such. Any indemnity under this Section 12.7 shall be provided out of and to the extent of the Company assets only, and no Member or Affiliate of a Member shall have any personal liability with respect to such indemnity.

Section 12.8 Business Activity That Does Not Compete with the Company and Business Opportunities.

(i) In the event the Company distributes or arranges for the distribution of one or more products (each, a "Company distributed product") as contemplated by Section 3.3, then, subject to any contractual arrangements a Member entered into prior to the date the Company commenced distributing or arranging for the distribution of the Company distributed product (including test marketing of the Company distributed product), for so long as such test marketing continues or distribution continues, the Member shall not distribute within the United States a product that is in the same product category as the Company distributed product. A Member may extend a prior contractual arrangement and will not be in violation of the limitations imposed by this Section 12.8(i). The determination of whether a product is in the same product category as a Company distributed product shall be made by a Director Regular Vote and such determination shall be final and binding on the Company and the Members. The limitation imposed by this Section 12.8(i) (a) may be waived as to a specific product and as to a specific Member by a Director Extraordinary Vote; and (b) will be deemed to have been so waived but only if the Member (1) gives the Company not less than 60 days' prior notice

of the Member's intent to distribute a particular product before commencing distribution, (2) agrees that its distribution will be through its DSD system only, (3) agrees that its distribution will be limited to its Territory only, and (4) provides to the Board during such 60 day period of time such information as the Board or any Officer reasonably requests in order to review the request, unless the Board, by a Director Extraordinary Vote, determines in good faith within such 60 day period that the waiver of the restriction for that product distribution should not be granted. No waiver granted under clause (a) or clause (b) of the preceding sentence will restrict in any way the right of the Company to distribute the Company distributed product which may compete with the Member's product in the Member's Territory through a non-DSD method of distribution.

(ii) No Member or Affiliate thereof shall be obligated to present any particular investment opportunity to the Company or to any other Member or Affiliate thereof even if such opportunity is of a character that, if presented to the Company, could be taken by the Company, and any Member or Affiliate thereof shall have the right to take for its own account (individually or as a partner or fiduciary) or to recommend to others any such particular investment opportunity.

ARTICLE XIII

ADDITIONAL MEMBERS

Section 13.1 Admission. The Company is authorized to admit any Coca-Cola Bottler which does not become an initial Member pursuant to Section 2.1(ii) as an additional member of the Company (each, an "Additional Member" and collectively, the "Additional Members") upon a Director Regular Vote on such terms and conditions as the Board shall specify in such vote. Each such Coca-Cola Bottler shall be admitted as an Additional Member at the time such Coca-Cola Bottler (i) satisfies any terms or conditions imposed by the aforesaid vote of the Board; and (ii) executes this Agreement or a counterpart of this Agreement; provided, that absent extraordinary circumstances as determined by the Board, Additional Members will be admitted only as of the first day of a fiscal year or quarter of the Company during 2003 and only as of the first day of each fiscal year thereafter. The legal fees and expenses of the Company associated with such admission shall be borne by the Company.

Section 13.2 Allocations. Additional Members shall not be entitled to any retroactive allocation of the Company's income, gains, losses, deductions, credits or other items; provided that, subject to the restrictions of § 706(d) of the Code, Additional Members shall be entitled to their respective share of the Company's income, gains, losses, deductions, credits and other items arising under contracts entered into before the effective date of the admission of any Additional Members to the extent that such income, gains, losses, deductions, credits and other items arise after such effective date. To the extent consistent with § 706(d) of the Code and Treasury Regulations promulgated thereunder, the Company's books may be closed at the time Additional Members are admitted (as though the Company's tax year had ended) or the Company may credit to the Additional Members pro rata allocations of the Company's income, gains, losses, deductions, credits and items for that portion of the Company's Fiscal Year after the effective date of the admission of the Additional Members.

ARTICLE XIV

TRANSFER OF INTERESTS AND SUBSTITUTE MEMBERS

Section 14.1 Transfers of Interests.

(i) Transfer with Franchise and Within Controlled Group. A Member shall transfer to any Person who acquires from such Member by purchase, exchange, contract, or otherwise control (as described in the definition of Affiliate) of, all or any portion of such Member's Territory a proportionate share of such Member's Units. The determination by the President of the Company as to the number of Units to be so transferred shall be consistent with the method used to initially determine such Member's Allocated Interest, but shall otherwise be final and binding on the parties. Upon an affirmative Director Regular Vote, a Member may: (a) transfer all or any portion of such Member's Units to an entity that both (i) holds a Coca-Cola franchise and (ii) is a member of the same affiliated group within the meaning of section 1504 of the Code as the Member or is owned wholly by one or more members of such affiliated group, and (b) cause any such entity described in (a) to transfer all or any portion of such Units back to the transferring Member or to any other entity described in (a).

(ii) Transfer Under Section 5.4 or 6.10. All of a Member's Units shall be purchased by the Company and cancelled if the Member's Units are to be purchased by the Company under either Section 5.4 or 6.10. Upon such purchase, the Company shall pay the Member the applicable purchase price of the Member's Units determined as provided herein and shall close the purchase as hereinafter provided.

(a) *Return of Capital—Resignations*. If a Member resigns under clause (i) of the first sentence of Section 5.4, the purchase price for the Member's Units shall be the lesser of the amount paid by the Member as its Capital Contribution, without interest, or the positive amount of its Capital Account as of the effective date of the resignation. The Treasurer shall certify the amount of the purchase price based upon the foregoing and the books and records of the Company, which certification shall be, absent manifest error, final and binding on the parties hereto, not subject to any appeal.

(b) *Appraisal Value—Removals*. If a Member is removed from membership pursuant to Section 6.10, the purchase price for the Member's Units shall be the Appraisal Value of the Member's Units. For these purposes, the "Appraisal Value" of a Member's Units shall mean the product of (I) the amount in U.S. dollars that the Members would receive upon a sale of all of the Units of the Company in an arms' length transaction between a willing buyer and a willing seller, determined within sixty (60) days following the event giving rise to the purchase obligation; and (II) the Percentage Interest in the Company represented by the Units as to which the Appraisal Value is to be determined. The Appraisal

Value shall be mutually agreed upon by the Member and the Company or, if the Member and the Company are unable to agree within sixty (60) days following the event giving rise to the purchase obligation, the Appraisal Value shall instead be determined by an investment banking firm or other designated valuation expert of recognized national standing jointly selected by the Member and the Company. If the Member and the Company are unable to agree on an investment banking firm or other valuation expert within the sixty (60) day period, they shall each promptly designate an investment banking firm or valuation expert and those two shall, in good faith, select a third investment banking firm or valuation expert within 15 days of their designation. In the event that the Member should fail to designate an investment banking firm or valuation expert for this purpose within ten (10) days after the expiration of the sixty (60) day period, the Company shall be entitled, in its sole discretion, to designate a single national or international investment banking firm for purposes of determining the Appraisal Value hereunder. In either case, the investment banking firm or valuation expert so selected shall prepare an appraisal setting forth its determination of the Appraisal Value, which determination shall be final and binding on the Member and the Company. The cost of any such investment banking firms or valuation experts shall be borne equally by the Member and the Company. The Member and the Company shall cooperate fully in selecting investment bankers or other experts and shall cooperate fully in the determination of the Appraisal Value by such persons. The investment banking firm or valuation expert so retained to deliver its written opinion as to the Appraisal Value shall be instructed to deliver such opinion to the Member and Company within thirty (30) days following the selection of such investment banking firm or valuation expert. In determining Appraisal Value, no premiums for control nor discounts for lack of control or lack of marketability shall be applied, and there shall be no requirement that the assets and the Company be separately valued by third party appraisers or that a special audit of the books and records of the Company be performed.. The Appraisal Value as mutually agreed upon by the Member and the Company, or as set forth in the written opinion of the investment banker or valuation expert, shall be referred to herein as the “Value Opinion,” and shall be final and binding on the parties hereto, not subject to appeal.

(c) *Fair Value—Certain Affiliations*. If a Member is disqualified from membership because it becomes affiliated with The Coca-Cola Company, the purchase price for the Member’s Units shall be the Fair Value of the Units. For these purposes, the “Fair Value” shall mean the fair market value of the Member’s Units. The Company and the Member shall mutually agree upon the Fair Value of the Units or if they are unable to agree within sixty (60) days following the event giving rise to the purchase obligation, the Fair Value shall instead be determined by a Director Extraordinary Vote. The Fair Value as so determined shall be final and binding on the parties hereto, not subject to appeal.

(d) Closing *of Purchase*. The closing of any purchase and sale of a Member’s Units pursuant to this Section 14.1(ii) shall be held at such time and

place as may be designated by the Company, but in any event within thirty (30) days after the amount of the purchase price is determined. At any such closing, the Member required to sell its Units (the "Selling Member") shall transfer to the Company any certificates or documents evidencing the Units being purchased, duly endorsed for transfer, together with such assignments or instruments reasonably required by counsel for the Company to consummate such a purchase and (ii) the Company shall pay the purchase price in cash. In addition, at the closing of such purchase and sale, the Selling Member shall deliver to the Company an executed, written representation, in form and substance reasonably satisfactory to legal counsel for the Company, that the Selling Member owns the Units being transferred free and clear of all liens and encumbrances and that upon delivery of such Units to the Company, the Company shall be vested with all of the Selling Member's right, title and interest in such Units, and the Company shall deliver to the Selling Member such investment representations as may be reasonably necessary and requested for securities law purposes.

(iii) No Other Transfer. A Member shall not transfer or assign any or all of its Units other than as required or permitted under part (i) or (ii) of this Section 14.1.

Section 14.2 Substitute Members. When a Member transfers any part of its Units in the Company to the Person who acquires from such Member control of any portion of the Member's Territory, such transfer shall entitle the transferee to become a Substitute Member. Upon the transferee's execution of an instrument reasonably satisfactory to the President of the Company accepting and agreeing to the terms and conditions of this Agreement, including a counterpart of this Agreement, and upon paying to the Company a fee sufficient to cover all reasonable expenses of the Company in connection with such transferee's admission as a Substitute Member, such transferee shall become a Substitute Member. In the event of a dispute as to whether a transaction, event or other circumstance entitles a Person to qualify as a Substitute Member, such dispute shall be resolved by a Director Regular Vote, subject to disqualification of any Board member(s) representing a Bottler that has a material interest in the dispute. Such transferee shall be admitted to the Company effective immediately prior to the effective date of the transfer and, immediately following such admission, if the transferring Member has transferred all of its Interest and Units it shall cease to be a member of the Company. Until approved as a Substitute Member, such transferee shall not be entitled to exercise or receive any of the rights, powers or benefits of a Member other than the right to receive the distributions to which the transferring Member would be entitled, if any, the right to participate in the Company's procurement function as provided herein and the right to participate in any Company distributed product program to the extent the transferring Member was so entitled.

Section 14.3 Recognition of Transfer by Company. No transfer, or any part thereof, that is in violation of this Article XIV shall be valid or effective, and neither the Company nor the Board shall recognize the same for the purpose of making distributions of Net Cash Flow pursuant to Section 9.1 with respect to such Interest or part thereof. Neither the Company nor the Board shall incur any liability as a result of refusing to make any such distributions to the transferee of any such invalid transfer.

Section 14.4 Effective Date of Transfer. Any valid transfer of a Member's Interest pursuant to the provisions of Section 14.1 shall be effective as of the close of business on the last day of the calendar month in which such transfer occurs. The Company shall, from the effective date of such transfer, thereafter pay all further distributions on account of the Interest so transferred to the transferee of such Interest. As between any Member and its transferee, Profits and Losses for the Fiscal Year of the Company in which such transfer occurs shall be apportioned for federal income tax purposes in accordance with any convention permitted under §706(d) of the Code and selected by the Treasurer.

Section 14.5 Pledge. No Member may pledge or otherwise encumber the whole or any part of its Units without the prior written consent of the Board, which consent may be given or withheld in the sole and absolute discretion of the Board.

ARTICLE XV

DISSOLUTION, LIQUIDATION AND TERMINATION

Section 15.1 No Dissolution. The Company shall not be dissolved by the admission of Additional Members or Substitute Members in accordance with the terms of this Agreement.

Section 15.2 Events Causing Dissolution. The Company shall be dissolved and its affairs shall be wound up only upon the occurrence of any of the following events:

(i) the affirmative vote of (a) a Director Extraordinary Vote and (b) the Members pursuant to Section 5.1;

(ii) at any time that there are no Members of the Company, including as a result of the failure of the conditions set forth in Section 2.1, unless the Company is continued in accordance with the Delaware Act;

(iii) at any time, should The Coca-Cola Company acquire control of CCE (control being defined as owning more than fifty percent (50%) of CCE's voting shares), upon the affirmative vote of a majority of the Regional Bottler Directors and the Mainstream Bottler Directors; or

(iv) the entry of a decree of judicial dissolution of the Company under Section 18-802 of the Delaware Act.

Section 15.3 Liquidation. Upon dissolution of the Company, the Board shall carry out the winding up of the Company and shall immediately commence to wind up the Company's affairs; provided, however, that a reasonable time shall be allowed for the orderly liquidation of the assets of the Company and the satisfaction of liabilities to creditors so as to enable the Members to minimize the normal losses attendant upon a liquidation. The Members shall continue to share Profits and Losses during liquidation in the same proportions, as specified in Article VIII hereof, as before liquidation. The proceeds of liquidation shall be distributed in the following order and priority:

(i) to creditors of the Company, including Members who are creditors, to the extent otherwise permitted by law, in satisfaction of the liabilities of the Company (whether by payment or the making of reasonable provision for payment thereof); and

(ii) to the Members in accordance with their relative positive Capital Account balances, after giving effect to all contributions, distributions and allocations for all periods.

Section 15.4 Termination. The Company shall terminate when all of the assets of the Company, after payment of or due provision for all debts, liabilities and obligations of the Company, shall have been distributed to the Members in the manner provided for in this Article XV and the Certificate shall have been canceled in the manner required by the Delaware Act.

Section 15.5 Claims of the Members. The Members and former Members shall look solely to the Company's assets for the return of their Capital Contributions, and if the assets of the Company remaining after payment of or due provision for all debts, liabilities and obligations of the Company are insufficient to return such Capital Contributions, the Members and former Members shall have no recourse against the Company or any other Member.

ARTICLE XVI

MISCELLANEOUS

Section 16.1 Notices. All notices provided for in this Agreement shall be in writing, duly signed by the party giving such notice, and shall be delivered by hand delivery, mailed via an overnight courier service, telecopied or mailed by registered or certified mail, as follows:

(i) if given to the Company at its address and telecopy number as shall be notified to the Directors and Members;

(ii) if given to a Director, at such Director's mailing address or telecopy number as provided to the Company; or

(iii) if given to any Member at the address or telecopy number set forth in the Schedule described in Section 2.1(iv) or on its signature page hereto, or at such other address or telecopy number as such Member may hereafter designate by written notice to the Company.

A notice shall be deemed given on the date delivered if delivered in person, on the date of telephonic confirmation of receipt if sent by telecopier, or on the date mailed or delivered to the courier service if mailed first class mail (with postage prepaid) or delivered to an overnight courier service (with the fee prepaid), and shall be deemed received on the date of personal delivery if delivered in person, on the date of telephonic confirmation of receipt if telecopied, on the tenth business day after having been mailed by certified or registered mail if so mailed, and on the second business day after having been sent by overnight courier if so couriered.

Such notice shall be given at such other address as a party to this Agreement may furnish to another party to this Agreement pursuant to the foregoing.

Section 16.2 Failure to Pursue Remedies. The failure of any party to seek redress for violation of, or to insist upon the strict performance of, any provision of this Agreement shall not prevent a subsequent act, which would have originally constituted a violation, from having the effect of an original violation.

Section 16.3 Cumulative Remedies. The rights and remedies provided by this Agreement are cumulative and the use of any one right or remedy by any party shall not preclude or waive its right to use any or all other remedies. Said rights and remedies are given in addition to any other rights the parties may have by Law or otherwise.

Section 16.4 Binding Effect. This Agreement shall be binding upon and inure to the benefit of all of the parties and, to the extent permitted by this Agreement, their successors, legal representatives and assigns.

Section 16.5 Interpretation. Throughout this Agreement, nouns, pronouns and verbs shall be construed as masculine, feminine, neuter, singular or plural, whichever shall be applicable. All references herein to “Articles,” “Sections” and “Paragraphs” shall refer to corresponding provisions of this Agreement. While this Agreement is to be interpreted to the extent feasible in a manner consistent with the statement of principles attached as **Exhibit A**, to the extent the terms of this Agreement and the terms of the statement of principles are inconsistent, the terms of this Agreement shall control.

Section 16.6 Severability. The invalidity or unenforceability of any particular provision of this Agreement shall not affect the other provisions hereof, and this Agreement shall be construed in all respects as if such invalid or unenforceable provision were omitted.

Section 16.7 Counterparts. This Agreement may be executed in any number of counterparts with the same effect as if all parties hereto had signed the same document. All counterparts shall be construed together and shall constitute one instrument.

Section 16.8 Integration. This Agreement constitutes the entire agreement among the parties hereto pertaining to the subject matter hereof and supersedes all prior agreements and understandings pertaining thereto.

Section 16.9 Governing Law. This Agreement and the rights of the parties hereunder shall be interpreted in accordance with the laws of the State of Delaware, and all rights and remedies shall be governed by such laws without regard to principles of conflict of laws.

Section 16.10 Amendments.

(i) Except as otherwise provided in this Section 16.10, an amendment to this Agreement shall be adopted and effective only if in writing and executed by the holders

of not less than ninety five percent (95%) of the outstanding Units of all the Members; provided that the Members so adopting the amendment shall include not less than a majority of the number of Mainstream Bottlers (without regard to the number of Units held by such Members); and provided further that no amendment shall adversely affect the interests of a Member who does not join in its adoption unless such amendment will have the same effect on the interests of similarly situated Members who do join in its adoption.

(ii) An amendment to this Agreement may be adopted by a Director Extraordinary Vote if such amendment would cause only the restructuring or reorganization of the Company in a manner that the Board specifically determines in such vote, is: (a) consistent with the economic and operational consequences of this Agreement and the governance structure under this Agreement, (b) will substantially enhance the efficient achievement of the Company's goals with respect to either of the businesses described in Section 3.3 or any new business activity approved as provided in Section 6.10 (i) while not materially reducing the Company's ability to achieve, or making it materially more costly for the Company to achieve, its objectives as to any of its other then existing lines of business, (c) does not cause a greater than de minimis disadvantage to the Company as compared to the consequences to the Company under the structure created by this Agreement; and (d) does not cause a greater than de minimis disadvantage to any Member as compared to the consequences to the Member under this Agreement, except to the extent such Member knowingly waives such disadvantages. The Board vote on the proposed restructuring or reorganization shall be taken only after the Board has received a detailed analysis of the proposal in light of these factors prepared by one or more Officers or Committees as the Board shall commission to examine the proposal.

Section 16.11 No Implied Rights or Remedies. Nothing expressed or implied shall be construed to confer upon any Person, except the Company and its Members, Officers and Directors, any rights or remedies under or by reason of this Agreement.

Section 16.12 Confidentiality.

(i) The Members acknowledge that each of them may be required to disclose Confidential Information (as defined in Section 16.12 (v)) to governmental agencies or authorities by Law, upon the advice of counsel, and each shall endeavor to limit disclosure to that purpose. Each Member will give the Company prior written notice of any disclosure pursuant to this paragraph, which notice shall specify the substance of any such disclosure.

(ii) The Company and each Member will take appropriate steps to enable the Company and other Members to identify information which should be protected as Confidential Information.

(iii) Each party receiving Confidential Information (the "Receiving Party") recognizes and acknowledges that the restrictions imposed upon the parties under this

Agreement are necessary to protect the secrecy of Confidential Information and to prevent the occurrence of injury and harm.

(iv) Each Receiving Party, whether the Company or a Member, agrees that it will not, without the prior written consent of the party from whom such Confidential Information was obtained (the "Disclosing Party"), disclose, divulge or permit any unauthorized person to obtain any Confidential Information disclosed by the Disclosing Party. The Receiving Party hereby agrees to indemnify and hold harmless the Disclosing Party from and against any and all damage, loss, liability and expense (including, without limitation, reasonable expenses of investigation and reasonable attorneys' fees and expenses) arising from any such unauthorized disclosure by the Receiving Party or its personnel. The Receiving Party agrees that it will use any Confidential Information disclosed by the Disclosing Party hereunder (whether or not such Confidential Information is in written or tangible form) only for purposes of the business of the Company and its subsidiaries as contemplated by this Agreement.

(v) As used in this Agreement, the term "Confidential Information" shall mean information, including trade secrets, technical or non-technical data, a formula, pattern, strategy, compilation, program, device, method, technique, drawing, process, financial data, or list of actual or potential customers or partners, which (a) derives economic value, actual or potential, from not being generally known to other persons who can obtain economic value from its disclosure or use, (b) is the subject of efforts which are reasonable under the circumstances to maintain its secrecy, or (c) is specifically known to be or identified as confidential information. "Confidential Information" shall not include any information (w) which is or becomes generally known to the public through no fault of the Receiving Party, (x) which is received without restriction from a third party not bound by any duty of confidentiality with respect to such Confidential Information, (y) which the Receiving Party subsequently developed through its own efforts which can be documented as having been developed without the use of any Confidential Information, or (z) which is required to be disclosed by applicable Law, except to the extent eligible for special treatment under an appropriate protective order or otherwise.

Section 16.13 Arbitration. In the event of a dispute between a Member and the Company or between Members regarding the construction of this Agreement or the rights and obligations of the Company and the Members hereunder or the performance of those obligations, either party may initiate arbitration by giving written notice to the other party of its demand to arbitrate the issue and designating one arbitrator. The other party shall select an arbitrator within ten (10) days of delivery of the notice. Those two arbitrators shall then select within ten (10) days a third arbitrator. The governing law for the arbitration shall be the substantive law of the State of Delaware. The arbitration shall be held in Atlanta, Georgia, or such other place in the United States as may be specified by the arbitration panel (or in any other place as may be agreed upon by the parties to the arbitration proceeding) and shall be conducted in accordance with the then effective Commercial Arbitration Rules of the American Arbitration Association to the extent not inconsistent with this Agreement. The decision of the Arbitration Panel shall be rendered no later than forty-five (45) days after the date on which the parties agree to arbitration.

The decision of the Arbitration Panel shall be final and binding as to any matters submitted to arbitration; provided, however, that if necessary such decision may be enforced by any party to the arbitration in any court of record having jurisdiction over the subject matter or over any of the parties. The determination of which party or combination of parties bears the costs and expenses incurred in connection with any such arbitration proceeding shall be determined by the Arbitration Panel. For the avoidance of doubt, business disagreements, such as whether the Company should adopt a certain course of action or the appropriate sanction to be imposed by the Company under Section 6.10(vi), are not eligible for arbitration, it being the intention of the parties that the all such disagreements be resolved and such sanctions be finally determined by the applicable action taken by the Board.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above stated.

Exhibit A	—	Statement of Principles
Exhibit B	—	List of Coca-Cola Bottlers
Exhibit C	—	Coca-Cola Products Currently Distributed
Exhibit D	—	Initial National Bottler Directors, Regional Bottler Directors and Mainstream Bottler Directors; Identification of initial Regional Bottlers

COCA-COLA BOTTLERS' SALES & SERVICES COMPANY LLC

By: _____

Name:
Title: _____

[Signature pages of Members follow]

Member Signature Page to Limited Liability Company Operating Agreement of Coca-Cola Bottlers' Sales & Services Company LLC dated as of January 1, 2003

By executing this Agreement, Member represents and warrants to, and agrees with, the Company as follows:

1. This Agreement has been duly and validly authorized, executed and delivered on behalf of Member and is a valid and binding agreement of Member enforceable in accordance with its terms. Member or its affiliates is a Coca-Cola Bottler, as defined herein.

2. Units will be acquired solely for Member's own account for investment purposes only, and not with a view to or for resale or distribution. Member understands that Units have not been registered under the Securities Act of 1933, as amended (the "Securities Act") or any State's securities laws (the "Blue Sky Laws") in reliance in part on the representations of Member contained herein. Member will not sell, transfer or otherwise dispose of Units unless such sale, transfer or disposition is subsequently registered under the Securities Act and the Blue Sky Laws, or unless the Company, with the advice of its legal counsel, determines that exemption(s) from such registration are available under the Securities Act and the Blue Sky Laws. No federal or state agency or securities exchange has recommended or endorsed the purchase of Units. Member acknowledges that Units must be transferred under this Agreement to the acquirer of all or a portion of Member's or its Affiliates' Territory and to the Company under certain circumstances, and may not otherwise be sold, transferred, pledged or otherwise assigned.

3. Member is an "accredited investor" as that term is defined in Rule 501(a) of Regulation D under the Securities Act because Member qualifies under clause(s) v below: (i) A natural person whose individual net worth, or joint net worth with that person's spouse, exceeds $1,000,000 at the time of purchase; (ii) A natural person whose individual income (not including that of his or her spouse) was in excess of $200,000 in 2000 and 2001, or joint income with his or her spouse was in excess of $300,000 in each of those years, and who reasonably expects the same income level in 2002; or (iii) An organization described in section 501(c)(3) of the Internal Revenue Code, a corporation, a Massachusetts or similar business trust, or partnership or limited liability company, not formed for the specific purpose of acquiring Units, with total assets in excess of $5,000,000; (iv) A trust, with total assets in excess of $5,000,000, not formed for the specific purpose of acquiring Units, whose purchase is directed by a person who, either alone or together with his or her purchaser representative(s), has such knowledge and experience in financial and business matters that such person is capable of evaluating the merits and risks of the prospective investment; or (v) An entity (other than an irrevocable trust) in which all of the equity owners are accredited investors. **(If Clause (v) is selected, all equity holders of Member must execute the attached Equity Holders Certification.)**

4. Until written notice of a new address is given by Member, the following is the address and telecopy number for all notices to be given to Member under this Agreement: 4100 Coca-Cola Plaza, Charlotte, N.C. 28211-3481. Telecopy No.: 704-557-4455.

Date: December 11, 2002

CONSOLIDATED BEVERAGE CO., a Delaware corporation and wholly-owned subsidiary and Affiliate of Coca-Cola Bottling Co. Consolidate

BY: _____

PRINT NAME: WILLIAM B. ELMORE, PRESIDENT

TITLE: _____

NOTE: FILL IN BLANK IN PARAGRAPH 3 WITH APPLICABLE REFERENCE; COMPLETE ALL REQUESTED INFORMATION IN PARAGRAPH 4; AND COMPLETE REQUESTED INFORMATION IN SIGNATURE BLOCK.

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Equity Holders Certification of Accredited Investor Status

If Clause (v) of Section 3 is initialed above for a Member, all equity holders of that Member should please complete the following: The undersigned, being all of the equity owners of Consolidated Beverage Co. represent and warrant to the Company that each undersigned is an "accredited investor" because the undersigned satisfies clause(s) V of Section 3 above.

Coca-Cola Bottling Co. Consolidated

Signature

William B. Elmore, President and Chief Operating Officer of Coca-Cola Bottling Co. Consolidated

Print Name

Date: December 11, , 2002

Signature

Print Name

Date: , 2002

Signature

Print Name

Date: , 2002

[ATTACH ADDITIONAL PAGES AS NECESSARY]

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EXHIBIT A

STATEMENT OF PRINCIPLES

NEWCO:

I. PREAMBLE

- NEWCO's constitution would be to form an improved Coca-Cola Bottler System in the USA. NEWCO would strive to establish a more efficient franchise system, reduce costs, be innovative and provide speed to market, plan for reduced capital investment, provide enhanced services to Bottlers and customers and grow a close mutually beneficial relationship with TCCC. NEWCO would strive to develop and manage a profitable alternative routes to market business, while simultaneously enhancing, rather than detracting from the value of each Bottler's existing business.

II. GENERAL:

- NEWCO is to be organized as a new, separate legal entity. If feasible it would be organized as a Delaware limited liability company and a passthrough entity for tax purposes.
- Existence to be perpetual but subject to an exit/termination strategy on a vote of its members.
- All USA Bottlers to be invited and encouraged to join NEWCO. Only a de minimus membership fee will be required to participate in the procurement services and alternative route to market function of NEWCO. However, costs of administration will be allocated to members. Members will be asked to sign a membership agreement, but that agreement will cover only NEWCO governance matters and will not contain any conditions that will require members to give up any existing rights or modify their existing business in any way, except that member will be asked to agree to restrictions on their ability to compete with NEWCO in the product categories pursued by NEWCO.
- Bottler members will be asked to participate in and support all of NEWCO's initial functions, i.e., procurement, management of new products and alternative routes of distribution, and customer management of NEWCO's products. Such participation would be voluntary and would not be a contractual condition of membership.
- A Bottler member would not be able to transfer its membership or ownership interest unless it were selling its USA Coca-Cola bottling business. The bottler's Coca-Cola franchise and the bottler's NEWCO membership interest are intended to be tied together.
- NEWCO would maintain a close working relationship with The Coca-Cola Company with the objectives of maximizing System efficiencies and brand growth.
- NEWCO will not own trademarks. TCCC will be the trademark owner of NEWCO's products.
- Equity in NEWCO would be divided among USA Bottler members on the basis of an arithmetic average of total volume of Coca-Cola products and population in Coca-Cola exclusive territories during the most recent available year (2001, if 2002 data is not available at the inception).
- NEWCO's Board could have 16 members:

CCE – 50% of members and total vote. A CCE director could have a proxy for all eight of CCE's votes.

Second through seventh largest bottlers – 1 seat and vote each.

Mainstream bottlers to have two seats and two votes.

1. Actions of the Board generally will require approval by two-thirds (11 votes) of the Board, except that selected matters, such as expansion into new businesses or liquidation, will require an 80% vote.

- Committees elected by the Board to be established and responsible for NEWCO's major functions, e.g., procurement, management of alternative distribution systems, etc.; under appropriate circumstances, Board committees may include non-Board members (e.g., CCF representative for procurement of HFCS, TCCC representative on routes to market, etc.)
- After an initial transition period in which NEWCO would be staffed with employees loaned from TCCC, CCE and CCBA, NEWCO will design, develop and fund its own employee benefit programs. Because a substantial portion of NEWCO'S initial staff will come from CCE, NEWCO will seek to duplicate CCE's benefit programs to the maximum extent possible. NEWCO's employees will be expected always to act in the best interests of NEWCO and all its members.
- NEWCO would have separate facilities and its own operating budget.
- NEWCO Board will determine how much of its profits, if any, to distribute. The expectation is that it will split its profits among all Bottler members based upon each Bottler's equity ownership in NEWCO. It will be decided if an independent audit function will be necessary, given the variety of services offered by NEWCO.

III. NEW PRODUCTS FUNCTION

- Prior to its formation, NEWCO will seek a written understanding with The Coca-Cola Company that it will collaborate with NEWCO's management in selecting the best route to market for new products not best suited for the DSD system, and will offer those new products, which would be best distributed outside the DSD system, on a basis that NEWCO or the bottlers will participate economically in their distribution. The letter of understanding would express TCCC's understanding that the marketing arrangements must be mutually advantageous from an economic perspective, reflecting contribution of value and a fair balance of economic interests. The letter of understanding between NEWCO and TCCC would recite that all existing contractual commitments to bottlers, including commitments relative to line extensions, would remain in full force and effect , confirming that TCCC will continue to bring CSD's and cold fill NCB products directly to Coca-Cola Bottlers. NEWCO's objective will be to assure that all future TCCC products would either be distributed by the bottlers or distribution would be managed by NEWCO.
- NEWCO would negotiate all contracts with The Coca-Cola Company, including pricing, funding, and other terms and conditions, relating to products distributed under NEWCO's management. Pricing by TCCC would reflect a fair share of economic profit within the value chain.
- NEWCO's Board would then evaluate and determine the distribution system that would maximize the potential of the new TCCC brand or product, to the extent consistent with the overall best interests of the bottling system. NEWCO's options would include everything from distribution exclusively by bottlers, to distribution entirely through warehouses or third parties, to hybrid systems. Distribution of NEWCO's products would not necessarily be restrained by an exclusive territory system, although exclusive territory arrangement

with bottlers in certain channels might be a potential feature of some arrangements. NEWCO could ask bottlers to provide non-distribution services for these products (e.g., production, sales and merchandising), but the decision to provide those services or not would rest with individual bottlers and would not be a condition of continuing membership in NEWCO. If a bottler refused or could not come to terms in providing such services, NEWCO could retain a third party to perform such services.

- Bottler members who do not do the actual production/distribution of NEWCO products in their Coca-Cola exclusive territories could receive fair compensation, e.g., by the growth in the value of their equity in NEWCO or by a fee (if NEWCO's product is damaging the local bottler's core business) . . . to be decided in the best judgment of NEWCO's Board of Directors. If a fee is offered, bottlers would be fairly and equitably compensated and NEWCO would be obligated to treat all bottlers alike in such arrangements.
- If NEWCO determines that a non-CSD product would be best produced and/or distributed by Bottler members under perpetual contracts with exclusive territories, it would so advise TCCC. TCCC would be asked to abide by such determinations by NEWCO's board.
- If bottler distribution in a DSD system is determined to be sub-optimum, NEWCO's Board would choose the best alternative distribution method and strategy for each new TCCC licensed non-CSD product, judged in relationship to the overall interests of the bottling system, based upon the product, the product category, package, channel and geography, with a view toward maximizing the growth of the product. Some products could be distributed entirely outside the Bottler system, e.g., by the use of warehouse delivery, third-party brokers, beer and liquor distributors or dairy distributors.
- NEWCO's Board would make production decisions for each NEWCO product on a case by case basis, with a view toward maximum efficiencies, low cost, and avoidance of unnecessary capital expenditure. Production could be by Bottler members, by Bottler non-members, by contract packers, or a combination.

IV. PROCUREMENT FUNCTIONS

- NEWCO would form a procurement department, using transferred resources from CCE, Consolidated, CCBA and TCCC to provide procurement services available to all U. S. bottlers and production coops
- NEWCO would initially focus on major product components and cost of goods elements (cans, sweetener, closures, secondary packaging, labels, etc.), but could expand over time to cover other items. Functions and products provided by Western Sales could be folded in over time with full integration.
- All Bottler members in the procurement program would share equally in program benefits and would get pricing determined on a comparable basis, regardless of size, i.e., a most favored nations concept.
- Policies relative to freight equalization, back haul allowances, price equalization, length of required contractual commitments, etc., would be made on a commodity-by-commodity basis by Board/Subcommittee based on industry practice, competitive impact and impact on program and on individual bottlers, similar to current CCBA practices.
- CCBA and CCE potentially would make separate decisions relative to billing practices and equalization/adjustment to CCBA members or to CCE divisions.

- Strict confidentiality is to be maintained regarding supplier pricing – NEWCO to rigidly ensure that only persons with "a need to know" would have access to pricing details.
- In addition to direct materials, it is anticipated that NEWCO would also develop and administer a cold drink equipment program.
- NEWCO might not initially handle payables and receivables in its procurement program. Suppliers will be told to bill CCE and CCBA and they will handle the transactional accounting.
- Coca-Cola Fountain and TCCC's Global P&T group will be eligible to participate in NEWCO's HFCS procurement program.
- NEWCO could be accountable for managing incoming transportation logistics and handling for all major procurement items and for assisting with supply chain management needs of bottlers. Over time, NEWCO would be expected to build transportation logistics and procurement capabilities that could be expanded to cover downstream transportation logistics.

V. OTHER

- NEWCO's initial role relative to customers shall be confined to exploration of possible arrangements with customers relative to the sale of NEWCO-managed beverages, in close collaboration with the sales activities of CCNA, CCE and the Bottling system relating to non-NEWCO beverages sold by the Coca-Cola system. Over time, NEWCO, its Board and its members will continue to explore opportunities for NEWCO to serve a positive role in providing better and more efficient customer service, while preserving the value and the independence of the bottling system and its exclusive territories.
- NEWCO, to the extent directed by its Board, will evaluate options for developing and operating shared service platforms which may be useful to both NEWCO and the bottling system in their operations, including shared services functions in the IS (including customer information), transactional accounting and HR record-keeping and administration areas.

VI. WHAT NEWCO IS NOT

- NEWCO will not involve itself in the relationship between TCCC and the bottling system as it relates to core (including cold-fill NCBs) CSDs and other products currently under contract; the CSD/DSD business system will remain intact and will not be affected. Over time, if NEWCO is successful and as it generates further learnings, certain non-core brands currently distributed by bottlers may become candidates for consideration for NEWCO distribution management, subject to all existing bottler contracts.
- NEWCO will not initially engage in the production or distribution of beverages, except as deemed appropriate by the Board relating to NEWCO managed beverages. NEWCO will develop a knowledge base and capabilities in understanding non-traditional (i.e., non-bottler) production and distribution operations and options, through its fulfillment of its role in securing production and distribution services for NEWCO beverages, and will serve as a resource to TCCC and the Bottling system in understanding such operations.

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EXHIBIT B

U.S. COCA-COLA BOTTLERS

ABARTA Beverages
Aberdeen Coca-Cola Bottling Company, Incorporated
Ada Coca-Cola Bottling Company & Shawnee Bottling Company
Atlantic Bottling Company
Big Springs, Inc.
Bink’s Coca-Cola Bottling Company
Cedar City Coca-Cola Bottling Co.
Cen-Tex Coca-Cola Bottling Company & Sooner Coca-Cola Bottling Company
Central Coca-Cola Bottling Company, Inc.
Chesterman Co.
Coca-Cola Bottling Co. (Williston, ND)
Coca-Cola Bottling Co. Consolidated
Coca-Cola Bottling Co. of Butte, Montana
Coca-Cola Bottling Co. of Dickinson
Coca-Cola Bottling Co., Columbus-Indiana-Inc.
Coca-Cola Bottling Co.-Yakima & Tri Cities, Inc.
Coca-Cola Bottling Company High Country
Coca-Cola Bottling Company of Bemidji, Incorporated
Coca-Cola Bottling Company of Crockett
Coca-Cola Bottling Company of Glasgow
Coca-Cola Bottling Company of Hot Springs, Inc.
Coca-Cola Bottling Company of International Falls
Coca-Cola Bottling Company of Minden, Incorporated
Coca-Cola Bottling Company of Pottsville
Coca-Cola Bottling Company of Red Wing, Incorporated
Coca-Cola Bottling Company of Santa Fe, Inc.
Coca-Cola Bottling Company of Southeastern New England, Inc.
Coca-Cola Bottling Company of Vernal, Utah
Coca-Cola Bottling Company of Virginia
Coca-Cola Bottling Company of Washington, N.C., Inc.
Coca-Cola Bottling Company of Winona
Coca-Cola Bottling Company United, Inc.
Coca-Cola Bottling Company, Kokomo, Ind., Inc.
Coca-Cola Bottling of Emporia, Inc.
Coca-Cola Bottling Works of Pulaski, Tennessee, Incorporated
Coca-Cola Bottling Works of Tullahoma, Inc.
Coca-Cola Enterprises Inc.
Corinth Coca-Cola Bottling Works, Inc.

Decatur Coca-Cola Bottling Company
Deming Coca-Cola Bottling Company
Douglas County Bottling Company
Durango Coca-Cola Bottling Co.
Durham Coca-Cola Bottling Company
Farmington Coca-Cola Bottling and Distributing Co.
Gardner Enterprises, Inc
Glendive Coca-Cola Bottling Co., Inc.
Great Plains Coca-Cola Bottling Company
Hancock Bottling Co., Inc.
Idabel Coca-Cola Bottling Company, Inc.
Jefferson City Coca-Cola Bottling Co.
Ketchikan Soda Works Inc.
Lehrkind's Incorporated
Louisa Coca-Cola Bottling Company
Love Bottling Co.
Lufkin Coca-Cola Bottling Company
Macon Coca-Cola Bottling Company
Magnolia Coca-Cola Bottling Company, Inc.
Maui Soda & Ice Works, Ltd.
Meridian Coca-Cola Bottling Company
Middlesboro Coca-Cola Bottling Works
North East Mississippi Coca-Cola Bottling Company, Inc. &
Western Kentucky Coca-Cola Bottling Company, Inc.
Northern Neck Coca-Cola Bottling, Inc.
Orangeburg Coca-Cola Bottling Company
Ozarks Coca-Cola/Dr Pepper Bottling Company
Rock Hill Coca-Cola Bottling Co.
Sacramento Coca-Cola Bottling Co., Inc.
Sanford Coca-Cola Bottling Company
Sitka Bottling Company
Swire Pacific Holdings Inc.
The Coca-Cola Bottling Company of Fort Smith, Arkansas
The Coca-Cola Bottling Company of Northern New England, Inc.
The Coca-Cola Bottling Company of Winfield, Kansas
The Odom Corporation
The Philadelphia Coca-Cola Bottling Company
Trenton Coca-Cola Bottling Company, L.L.C.
Union City Coca-Cola Bottling Company, LLC
Viking Coca-Cola Bottling Company
Wilson Corporation

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EXHIBIT C

SELECTED U.S. BRANDS

Coca-Cola
Coca-Cola classic
caffeine free Coca-Cola
caffeine free Coca-Cola classic
diet Coke
caffeine free diet Coke
diet Coke with Lemon
Cherry Coke
diet Cherry Coke
Vanilla Coke
diet Vanilla Coke

Allied brands (bottle/can products), including diet/light versions and flavors:

- AquaPure
- Barq's (root beer and crème soda)
- Carver's Original Ginger Ale
- Chippewa Natural Spring Water
- Citra
- Cumberland Gap Mountain Spring Water
- Dasani
- Delaware Punch
- Evian
- Fanta
- Five Alive
- Fresca
- Fruitopia
- H_2OK
- Hi-C
- KMX
- Mad River
- Manzana Mia
- Mello Yello
- Minute Maid (soft drinks/Adult Refreshment, juices/juice drinks/Juices To Go)
- Nestlé Choglit
- Nestea (iced teas)
- Nestea Cool and Cool from Nestea

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Northern Neck Ginger Ale
Mr. PiBB and PiBB Xtra
Planet Java
POWERADE
Red Flash
Seagram’s (mixers)
Sprite
Surge
TAB

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EXHIBIT D

INITIAL NATIONAL BOTTLER DIRECTORS, INITIAL REGIONAL BOTTLER DIRECTORS AND INITIAL MAINSTREAM BOTTLER DIRECTORS; IDENTIFICATION OF INITIAL REGIONAL BOTTLERS

I. NATIONAL BOTTLER DIRECTORS

Coca-Cola Enterprises Inc.:

Norman P. Findley, Chairman

John R. Alm

William A. Holl

Robert F. Gray

II. REGIONAL BOTTLERS AND REGIONAL BOTTLER DIRECTORS

Coca-Cola Bottling Company Consolidated:

William B. Elmore, Jr.

The Philadelphia Coca-Cola Bottling Company:

Ron D. Wilson

Coca-Cola Bottling Company United, Inc.:

Claude B. Nielsen

Swire Coca-Cola USA:

Jack Pelo

The Coca-Cola Bottling Company of Northern New England:

Wesley C. Elmer

Great Plains Coca-Cola Bottling Company:

Robert F. Browne

III. MAINSTREAM BOTTLER DIRECTORS:

Chesterman & Co.:

Cy Chesterman

Coca-Cola Bottling Company of Santa Fe, Inc.:

Ron Hart

Exhibit 21.1

LIST OF SUBSIDIARIES as of December 29, 2002

Entities Legal Name	*Date Inc./ Organized*	*State Inc./ Organized*	*Percent Ownership*
CC Beverage Packing, Inc.	Delaware 3/15/88	Consolidated	100%
Case Advertising, Inc.	Delaware 2/18/88	Consolidated	100%
Category Management Consulting, LLC	North Carolina 6/29/95	Consolidated/Roanoke	100%
Nashville Coca-Cola Bottling Partnership	Tennessee 12/20/96	Consolidated / Consolidated Volunteer	100%
CCBCC, Inc.	Delaware 12/20/93	Consolidated	100%
Chesapeake Treatment Company, LLC	North Carolina 6/5/95	Consolidated/Case Adv.	100%
COBC, Inc.	Delaware 11/23/93	Columbus Coca-Cola Bottling Company	100%
Coca-Cola Bottling Co. of Roanoke, Inc.	Delaware 2/5/85	Consolidated	100%
Coca-Cola Bottling Company of Mobile, LLC	Alabama 12/20/96	CCBC of Alabama, LLC / CC Beverage	100%
Coca-Cola Bottling Company of Alabama, LLC	Delaware 12/17/96	CC Beverage/ Consolidated	100%
Coca-Cola Ventures, Inc.	Delaware 6/17/93	Consolidated	100%
Columbus Coca-Cola Bottling Company	Delaware 7/10/84	Consolidated	100%
Consolidated Leasing, LLC	North Carolina 1/14/97	Consolidated/CCBC of WV	100%

LIST OF SUBSIDIARIES as of DECEMBER 29, 2002

INVESTMENT IN	*STATE/DATE INCORPORATION*	*OWNED BY*	*PERCENT OWNERSHIP*
Consolidated Volunteer, Inc.	Delaware 12/11/96	Consolidated	100%
ECBC, Inc.	Delaware 11/23/93	Consolidated	100%
Jackson Acquisitions, Inc.	Delaware 1/24/90	Consolidated	100%
Metrolina Bottling Company	Delaware 5/21/93	Consolidated	100%
MOBC, Inc.	Delaware 11/23/93	CC Beverage Packing, Inc.	100%
NABC, Inc.	Delaware 11/23/93	Consolidated Volunteer, Inc.	100%
Panama City Coca-Cola Bottling Company	Florida 10/5/31	Columbus CCBC, Inc.	100%
PCBC, Inc.	Delaware 11/23/93	Panama City Coca-Cola Bottling Company	100%
ROBC, Inc.	Delaware 11/23/93	Coca-Cola Bottling Co. of Roanoke, Inc.	100%
Reidsville Transaction Corporation	Delaware 5/16/99	Consolidated	100%
Tennessee Soft Drink Production Company	Tennessee 12/22/88	Consolidated Volunteer, Inc.	100%
The Coca-Cola Bottling Company of West Virginia, Inc.	West Virginia 12/28/92	Consolidated	100%
Consolidated Beverage Co.	Delaware 1/8/97	Consolidated	100%
Beverage Plus, LLC	North Carolina 10/02/2002	Consolidated	100%

LIST OF SUBSIDIARIES as of DECEMBER 29, 2002

INVESTMENT IN	*STATE/DATE INCORPORATION*	*OWNED BY*	*PERCENT OWNERSHIP*
WCBC, Inc.	Delaware 11/23/93	Consolidated	100%
Whirl-I-Bird, Inc.	Tennessee 11/3/86	Consolidated	100%
WVBC, Inc.	Delaware 11/23/93	The Coca-Cola Bottling Company of West Virginia, Inc.	100%
Carolina Coca-Cola Bottling Co.	Delaware 10/26/98	Consolidated	100%
Heath Oil Co., Inc.	South Carolina 9/9/86	Carolina Coca-Cola Bottling Co.	100%
SUBC, Inc.	Delaware 12/2/98	Carolina Coca-Cola Bottling Co.	100%
Lynchburg Coca-Cola Bottling Co., Inc.	Delaware 9/14/99	Coca-Cola Bottling Co. of Roanoke, Inc.	100%
LYBC, Inc.	Delaware 9/10/99	Lynchburg Coca-Cola Bottling Co., Inc.	100%
Consolidated Real Estate Group, LLC	North Carolina 01/04/2000	Consolidated	100%

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statement on Forms S-3 (Nos. 33-4325, 33-54657 and 333-71003) and Form S-8 (No. 333-88130) of Coca-Cola Bottling Co. Consolidated of our report dated February 13, 2003 relating to the financial statements and financial statement schedule, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP

Charlotte, North Carolina
March 24, 2003

Exhibit 99.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Coca-Cola Bottling Co. Consolidated (the "Company") on Form 10-K for the fiscal year ending December 29, 2002 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, J. Frank Harrison, III, Chairman of the Board of Directors and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) the Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ J. FRANK HARRISON, III

J. Frank Harrison, III
Chairman of the Board of Directors and
Chief Executive Officer

March 28, 2003

Exhibit 99.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Coca-Cola Bottling Co. Consolidated (the "Company") on Form 10-K for the fiscal year ending December 29, 2002 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, David V. Singer, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) the Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ DAVID V. SINGER

David V. Singer
Executive Vice President and Chief Financial Officer

March 28, 2003