UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
Form 10-K

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

For the fiscal year ended January 1, 1995
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)

1900 Rexford Road,
Charlotte, North Carolina 28211
(Address of principal executive offices)
(Zip Code)
(704) 551-4400
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, $l.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 X 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 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. X

State the aggregate market value of voting stock held by non-affiliates of the Registrant.

	Market Value as of March 24, 1995
Common Stock, $l par value	$207,413,000
Class B Common Stock, $l 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.

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 24, 1995
Common Stock, $1 Par Value	7,958,059
Class B Common Stock, $1 Par Value	1,336,362

Documents Incorporated by Reference

Proxy Statement to be filed pursuant to Section 14 of the Exchange Act with respect to the 1995 Annual Meeting of Shareholders.....	Part III, Items 10-13

PART I

Item 1 -- Business

Introduction and Recent Developments

Coca-Cola Bottling Co. Consolidated ("the Company"), a Delaware corporation, is engaged in the production, marketing and distribution of carbonated and noncarbonated soft drinks, primarily products of The Coca-Cola Company, Atlanta, Georgia ("The Coca-Cola Company"). The Company has been in the soft drink manufacturing business since 1902.

Prior to 1984, the Company's business was concentrated in North Carolina. In 1984, the Company undertook a major expansion program, primarily through acquisitions. The following information summarizes major developments from 1984 through 1994.

On February 8, 1985, the Company acquired the bottling subsidiaries of Wometco Coca-Cola Bottling Company which gave the Company franchise rights to produce, market and distribute soft drink products principally in parts of Tennessee, Virginia and Alabama.

In June 1987, the Company sold 1,355,033 shares of newly issued Common Stock and 269,158 shares of Class B Common Stock to The Coca-Cola Company. Upon completion of this transaction, The Coca-Cola Company owned a 20% equity interest in the Company. On July 15, 1987, the Company sold its Canadian subsidiary located in Vancouver, British Columbia. Net proceeds from the sale were used to repay debt.

On January 27, 1989, the Company acquired all of the outstanding capital stock of The Coca-Cola Bottling Company of West Virginia, Inc. from The Coca-Cola Company in exchange for 1.1 million shares of the Company's Common Stock and approximately $4 million in cash, as adjusted. Following this transaction, The Coca-Cola Company owns an economic interest of approximately 30% and a voting interest of approximately 23% in the Company.

On December 20, 1991, the Company acquired all of the outstanding capital stock of Sunbelt Coca-Cola Bottling Company, Inc. ("Sunbelt"). In connection with the Sunbelt acquisition, total assets acquired were approximately $304 million. As a result of this transaction, the Company became the second largest Coca-Cola bottler in the United States.

On July 2, 1993, the Company and The Coca-Cola Company formed Piedmont Coca-Cola Bottling Partnership ("Piedmont") to distribute and market soft drink products primarily in certain portions of North Carolina and South Carolina. The Company and The Coca-Cola Company, through their respective subsidiaries, each beneficially own a 50% interest in Piedmont. The Company provides a majority of the soft drink products for Piedmont and receives a fee for managing the operations of Piedmont pursuant to a Management Agreement. Subsidiaries of the Company made an initial capital contribution to Piedmont of $70 million in the aggregate. The capital contribution made by such subsidiaries was composed of approximately $21.7 million in cash and of bottling operations and certain assets used in connection with the Company's Wilson, North Carolina and Greenville and Beaufort, South Carolina territories. The cash contributed to Piedmont by the Company's subsidiaries was provided from the Company's available credit facilities. The Company sold other territories to Piedmont for an aggregate purchase price of approximately $118 million. Assets were sold or contributed at their approximate carrying values. Proceeds from the sale of territories to Piedmont, net of the Company's cash contribution, totaled approximately $96 million and were used to reduce the Company's long-term debt.

The Company considers acquisition opportunities for additional territories on an ongoing basis. To achieve its goals, further purchases and sales of franchise rights and entities possessing such rights and other related transactions designed to facilitate such purchases and sales may occur.

General

In its soft drink operations, the Company holds franchises under which it produces and markets, in certain regions, carbonated soft drink products of The Coca-Cola Company, including Coca-Cola, Coca-Cola classic, caffeine free Coca-Cola classic, diet Coke, caffeine free diet Coke, Cherry Coke, diet Cherry Coke, TAB, Sprite, diet Sprite, Mello Yello, diet Mello Yello, Mr. PiBB, Minute Maid orange and diet Minute Maid orange sodas. The Company also distributes and markets PowerAde, ready-to-drink Nestea and Fruitopia in certain of its markets. The Company produces and markets Dr Pepper in most of its regions. Various other products, including Welch's flavors, Seagrams' products, Barq's Root Beer and Sundrop are produced and marketed in one or more of the Company's regions under franchise agreements with the companies that manufacture the concentrate for those beverages. In addition, the Company also produces soft drinks for other bottlers of Coca-Cola.

The Company's principal soft drink is Coca-Cola classic. During the last three fiscal years, sales of products under the trademark Coca-Cola 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 88% of the Company's soft drink sales during fiscal 1994.

Franchises

The Company's franchises from The Coca-Cola Company 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 franchises from The Coca-Cola Company. The Coca-Cola Company is the sole owner of the secret formulas pursuant to which the primary components (either concentrates or syrups) of its soft drinks are manufactured. The concentrates, when mixed with water and sweetener, produce syrup which, when mixed with carbonated water, produce the soft drinks known as "Coca-Cola," "Coca-Cola classic" or "Coke." Similar processes are used to produce the other soft drinks marketed and distributed by the Company. With limited exceptions, the Company purchases concentrates, syrups and natural sweeteners from The Coca-Cola Company. No royalty or other compensation is paid under the franchise agreements to The Coca-Cola Company for the Company's right to use in its territories the trade names and trademarks "Coca-Cola," "Coca-Cola classic" and "Coke" and associated patents, copyrights, designs and labels, all of which are owned by The Coca-Cola Company.

Bottle Contracts. The Company is party to bottle contracts with The Coca-Cola Company (the "Bottle Contracts") which provide that the Company will purchase its entire requirement of concentrates and syrups for Coca-Cola, Coca-Cola classic, caffeine free Coca-Cola classic, Cherry Coke, diet Coke, caffeine free diet Coke and diet Cherry 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 returnable and non-returnable bottles. The Coca-Cola Company may determine from time to time what containers of this type to authorize for use by the Company.

The price The Coca-Cola Company may charge 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, to stimulate, and to 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 plan 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, such territory automatically will be deemed to be included in the territories covered by the existing Bottle Contracts, and any existing agreement with respect to the acquired territory automatically shall be amended to conform to the terms of the existing 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; (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; or (5) disposition of voting securities of any subsidiary without the consent of The Coca-Cola Company. 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, Fanta, TAB, diet Sprite, sugar free Mr. PiBB, Fresca, Minute Maid orange and diet Minute Maid orange sodas (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 10 years and is renewable by the Company for an additional 10 years at the end of each 10 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.

Post-mix Rights. The Company also has the non-exclusive right to sell Coca-Cola and other fountain syrups ("post-mix syrup") of The Coca-Cola Company.

Other Bottling Agreements. The bottling agreements from most other soft drink franchisors are similar to those described above in that they are renewable at the option of the Company and the franchisors at prices unilaterally fixed by the franchisors. 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 soft drinks by the Company under these agreements represented approximately 12% of the Company's sales for fiscal 1994.

The territories covered by the Allied Bottle Contracts and by bottling agreements for products of franchisors 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 business of the Company taken as a whole.

Markets and Production and Distribution Facilities

As of March 15, 1995, the Company held franchises covering the majority of central, northern and western North Carolina, and portions of Alabama, Mississippi, Tennessee, Kentucky, Virginia, West Virginia, Ohio, Pennsylvania, Georgia and Florida. The total population within the Company's Coca-Cola franchise area is approximately 11.7 million.

As of March 15, 1995, the Company operated in six principal geographical regions. Certain information regarding each of these markets follows:

1. North Carolina. This region includes the majority of central and western North Carolina, including Raleigh, Greensboro, Winston-Salem, High Point, Hickory, Asheville, Fayetteville and Charlotte and the surrounding areas. The region has an estimated population of 5.0 million. Production/distribution facilities are located in Charlotte and 15 other distribution facilities are located in the region.

2. South Alabama. This region includes a portion of southwestern Alabama, including the area surrounding Mobile, and a portion of southeastern Mississippi. The region has an estimated population of 850,000. A production/distribution facility is located in Mobile, and five other distribution facilities are located in the region.

3. South Georgia. This region includes a small portion of eastern Alabama, a portion of southwestern Georgia surrounding Columbus, Georgia, in which a distribution facility is located, and a portion of the Florida Panhandle, including Panama City and Quincy. Four other distribution facilities are located in the region. This region has an estimated population of 950,000.

4. Middle Tennessee. This region includes a portion of central Tennessee, including areas surrounding Nashville, and a small portion of southern Kentucky. The region has an estimated population of 1.6 million. A production/distribution facility is located in Nashville and seven other distribution facilities are located in the region.

5. Western Virginia. This region includes most of southwestern Virginia, including areas surrounding Roanoke, 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 1.4 million. A production/distribution facility is located in Roanoke and seven other distribution facilities are located in the region.

6. West Virginia. This region includes most of the state of West Virginia, a portion of eastern Kentucky, a portion of eastern Ohio and a portion of southwestern Pennsylvania. The region has an estimated population of 1.9 million. There are 11 distribution facilities located in the region.

The Company owns 100% of the operations in each of the regions listed.

The Company sold the majority of its South Carolina franchise territory to Piedmont in July 1993. Pursuant to a management agreement, the Company produces a majority of the soft drink products for Piedmont.

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 Company is a member of the cooperative and receives a fee

for managing the day-to-day operations of SAC pursuant to this 10-year management agreement. SAC has significantly expanded its operations by adding two PET bottling lines. The new bottling lines will supply a portion of the Company's volume requirements for PET product.

In addition to producing bottled and canned soft drinks for their own franchise 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 material in the Company's production centers.

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, glass and 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 and plastic bottles, the Company purchases its raw materials from multiple suppliers.

The Company purchases substantially all of its plastic bottles (20 ounce, one liter, two liter and three liter sizes) from manufacturing plants which are owned and operated by two cooperatives of southern Coca-Cola bottlers, including the Company. The Company joined the southwest cooperative in February 1985 following its acquisition of the bottling subsidiaries of Wometco Coca-Cola Bottling Company. The Company joined the southeast cooperative in 1984.

None of the materials or supplies used by the Company is in short supply, although the supply of specific materials 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 1994, approximately 74% of the Company's total sales were made in the take-home channel through supermarkets, convenience stores and other retail outlets. The remaining sales were made in the cold drink channel, primarily through dispensing machines, owned either by the Company, retail outlets or third party vending companies.

New product introductions, packaging changes and sales promotions have been major competitive techniques in the soft drink industry in recent years and have required and are expected to continue to require substantial expenditures. New product introductions in recent years include: caffeine free Coca-Cola classic; caffeine free diet Coke; Cherry Coke; diet Mello Yello; Minute Maid orange; diet Minute Maid orange; ready-to-drink Nestea; Fruitopia; and PowerAde. New product introductions have entailed increased operating costs for the Company resulting from special marketing efforts, obsolescence of replaced items and occasionally higher raw materials costs.

After several new package introductions in recent years, the Company now sells its soft drink products in a variety of returnable and non-returnable bottles, both glass and plastic, and in cans, in varying proportions from market to market. There may be as many as eight or more different packages for Coca-Cola classic, in addition to pre-mix containers and post-mix syrup packages, within a single geographical area. Excluding post-mix syrup sales, physical unit sales of soft drinks during fiscal year 1994 were approximately 51% cans, 46% non-returnable bottles, 2% pre-mix and 1% returnable bottles.

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 have joined the Company in making substantial expenditures in cooperative advertising in the Company's marketing areas. The Company also benefits from national advertising programs conducted by The Coca-Cola Company and Dr Pepper Company. In addition, the Company expends substantial funds on its own behalf for extensive local sales promotions of the Company's soft drink products. These expenses are partially offset by marketing funds which the concentrate companies provide to the Company in support of a variety of marketing programs, such as price promotions, merchandising programs and point-of-sale displays.

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

Seasonality

A larger than average percentage of the Company's total sales occurs during peak periods, which are normally May, June, July and August. The Company has adequate production capacity to meet sales demands during these peak periods.

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 95% 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 carbonated soft drink products also compete with, among others, noncarbonated soft drinks and citrus and noncitrus fruit drinks.

The principal methods of competition in the soft drink industry are point-of-sale merchandising, new product introductions, packaging changes, price promotions, quality of distribution and advertising.

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.

No reformulation of the Company's products is presently required by any rule or regulation, but there can be no assurance that future government regulations will not require reformulation of the Company's products.

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 non-returnable 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 North Carolina, South Carolina, West Virginia and Tennessee for several years. To the Company's knowledge, legislation has not been proposed or enacted to increase the tax in any of these states.

Environmental Remediation

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

Employees

As of March 15, 1995, the Company had a total of approximately 4,700 full-time employees, of whom approximately 400 were union members.

Item 2 -- Properties

The principal properties of the Company include its corporate headquarters, its four production facilities and its 54 distribution centers, all of which are owned by the Company except for its corporate headquarters, two production/distribution facilities and nine distribution centers.

On November 30, 1992, the Company and the owner of the Company's Snyder Production Center in Charlotte, North Carolina agreed to the early termination of the Company's lease. Harrison Limited Partnership One purchased the property contemporaneously with the termination of the lease, and the Company and Harrison Limited Partnership One entered into an agreement under which the Company leased the property for a 10-year term beginning on December 1, 1992. JFH Management, Inc., a North Carolina corporation of which J. Frank Harrison, Jr. is the sole shareholder, serves as sole general partner of the limited partnership that purchased the production center property. The sole limited partner of the limited partnership is a trust as to which J. Frank Harrison, III and Reid M. Henson are co-trustees, share investment powers, and as to which they share voting power for purposes of this partnership interest. The beneficiaries of this trust are J. Frank Harrison, Jr. and his descendants. The annual base rent the Company is obligated to pay under the lease agreement is subject to adjustment for increases in the Consumer Price Index and for increases or decreases in interest rates based on LIBOR.

On June 1, 1993, Beacon Investment Corporation, a North Carolina corporation of which J. Frank Harrison, III is sole shareholder, purchased the office building located on Rexford Road in Charlotte, North Carolina, in which the Company leases its executive offices. Contemporaneously, the Company entered into a 10-year lease commencing June 1, 1993 with Beacon Investment Corporation for office space within the building. The annual base rent the Company is obligated to pay

under the lease agreement is subject to adjustment for increases in the Consumer Price Index and for increases or decreases in interest rates based on LIBOR.

The Company also leases its 297,500 square-foot production/distribution facility in Nashville, Tennessee. The lease requires monthly payments through 2002. The Company's other real estate leases are not material.

The Company owns and operates two soft drink production facilities apart from the leased facilities described above. The current percentage utilization of the Company's production centers as of March 15, 1995 is approximately as indicated below:

Production Facilities

Location	Percentage Utilization*
Charlotte, North Carolina	88%
Mobile, Alabama	77%
Nashville, Tennessee	60%
Roanoke, Virginia	87%

* Estimated 1995 production divided by capacity (based on 80 hours of operations per week).

Because of the seasonality of the Company's soft drink business, the Company uses considerably more of its capacity for production during peak periods, normally May, June, July and August. The Company currently has sufficient production capacity to meet its operational requirements.

Bottled and canned soft drinks are transported to distribution centers for storage pending sale. The number of centers by market area as of March 15, 1995 is as follows:

Distribution Centers

Region	Number of Centers
North Carolina	16
South Alabama	6
South Georgia	5
Middle Tennessee	8
Western Virginia	8
West Virginia	11

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 2,500 vehicles in the sale and distribution of its soft drink products, of which approximately 1,300 are delivery trucks. In addition, the Company owns or leases approximately 107,000 soft drink dispensing and vending machines.

Item 3 -- Legal Proceedings

On March 4, 1993, a Complaint was filed against the Company, the predecessor bottling company for the Laurel, Mississippi territory and other unnamed parties in the matter of Mrs. Elsie Langley, Administratrix of the Estate of Walter Langley v. Coca-Cola Bottling Co. Consolidated, et al., Cause No. 93-3-30 in the Circuit Court of the Second Judicial District for Jones County, Mississippi. This suit by the testatrix spouse of a deceased former employee of the predecessor bottler alleges misrepresentation and fraud in connection with the severance package offered to employees terminated by the predecessor bottler in connection with the acquisition of the Laurel franchise subsidiary of the Company. Plaintiff seeks damages in an amount up to $18 million in compensatory and punitive damages. The Company believes that the Complaint is without merit and its ultimate disposition will not have a material adverse effect on the financial condition or results of operations 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 January 1, 1995.

EXECUTIVE OFFICERS OF THE REGISTRANT

Pursuant to General Instruction G(3) of Form 10-K, the following list is included as an unnumbered item in Part I of this Report in lieu of being included in the Proxy Statement for the Annual Meeting of Shareholders to be filed.

The following is a list of names and ages of all the executive officers of the Registrant as of March 1, 1995, 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, JR., age 64, is Chairman of the Board of Directors of the Company and has served the Company in that capacity since 1977. Mr. Harrison, Jr. served as Chief Executive Officer of the Company from August 1980 until April 1983. He has previously served the Company as Vice Chairman of the Board of Directors. He has been a Director of the Company since 1973. Mr. Harrison, Jr. presently is a Director of Dixie Yarns, Inc. Mr. Harrison, Jr. is Chairman of the Executive Committee and the Finance Committee and is a member of the Compensation Committee.

J. FRANK HARRISON, III, age 40, is a Vice Chairman of the Board of Directors and Chief Executive Officer of the Company. Mr. Harrison has served in the capacity of Vice Chairman since his election in November 1987 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 Compensation Committee and is a member of the Executive Committee, the Audit Committee and the Finance Committee.

REID M. HENSON, age 55, has served as a Vice Chairman of the Board of Directors of the Company since 1983. Prior to that time, Mr. Henson served as a consultant for JTL Corporation, a management company, and later as President of JTL Corporation. He has been a Director of the Company since 1979, is Chairman of the Audit Committee and is a member of the Executive Committee, the Retirement Benefits Committee and the Finance Committee.

JAMES L. MOORE, JR., age 52, is President and Chief Operating Officer of the Company. Prior to his election as President in March 1987, he served as President and Chief Executive Officer of Atlantic Soft Drink Co., a soft drink bottling subsidiary of Grand Metropolitan USA. Mr. Moore has been a Director of the Company since March 1987. He is a member of the Executive Committee and is Chairman of the Retirement Benefits Committee.

DAVID V. SINGER, age 39, is Vice President and Chief Financial Officer. In addition to his Finance duties, Mr. Singer has overall responsibility for the Company's Purchasing/Materials Management function as well as the Distribution, Fleet and Transport function. He served as Vice President, Chief Financial Officer and Treasurer from October 1987 through May 1992; prior to that he was Vice President and Treasurer. Prior to joining the Company in March 1986, Mr. Singer was a Vice President of Corporate Banking for Mellon Bank, N.A.

M. CRAIG AKINS, age 44, is Vice President, Cold Drink Market, a position he has held since October 1993. He was Vice President, Division Manager of the Tennessee Division from 1989-1993. From 1987 through 1988, he was General Manager of the Nashville, TN sales center. From 1985 through 1986, he was Trade Development Director of the Tennessee Division. Prior to joining the Company in 1985, he was a Regional Trade Development Manager for Coca-Cola USA.

STEVEN D. CALDWELL, age 45, joined the Company in April 1987 as Vice President, Business Systems and Services. Prior to joining the Company, he was Director of MIS at Atlantic Soft Drink Co., a soft drink bottling subsidiary of Grand Metropolitan USA for four years.

WILLIAM B. ELMORE, age 39, is Vice President, Regional Manager for the Virginia/West Virginia/Alabama/Tennessee Division, a position he has held since November 1991. He was Vice President, Division Manager of the West Virginia Division from 1989-1991. He was Senior Director, Corporate Marketing from 1988-1989. Preceding that, he held various positions in sales and marketing in the Charlotte Division from 1985-1988. Before joining the Company in 1985, he was employed by Coca-Cola USA for seven years where he held several positions in their field sales organization.

NORMAN C. GEORGE, age 39, is Vice President, Regional Manager for the Carolinas South Region, a position he has held since November 1991. He served as Vice President, Division Manager of the Southern Division from 1988-1991. He served as Vice President, Division Manager of the Alabama Division from 1986-1988. From 1982-1986, he served as Director of Sales and Operations in the Northern Division. Prior to joining the Company in 1982, he was Sales Manager of the Dallas-Fort Worth Dr Pepper Bottling Company in Irving, Texas.

BRENDA B. JACKSON, age 34, is Vice President and Treasurer, a position she has held since January 1993. From February 1992 until her promotion, she served as Assistant Treasurer. Mrs. Jackson joined the Company in March 1989 as Director of Finance.

UMESH M. KASBEKAR, age 37, is Vice President, Planning and Administration, a position he has held since December 1994. He was Vice President, Planning from December 1988 until December 1994. He was first employed by the Company in 1983 and held various other positions with the Company from 1983 to 1988.

C. RAY MAYHALL, age 47, is Vice President, Regional Manager for the Georgia Division and the Carolinas North Region, a position he has held since November 1991. He served as Vice President, Division Manager of the Northern Division from 1989-1991. Before joining the Company in 1989, he was Vice President, Sales and Marketing of Florida Coca-Cola Bottling Company, a position he had held since 1987. Prior to 1987, he was Division Manager of the Central Florida Division of Florida Coca-Cola Bottling Company for six years.

ROBERT D. PETTUS, JR., age 50, is Vice President, Human Resources, a position he has held since September 1984. Prior to joining the Company, he was Director, Employee Relations for the Texize Division of Morton-Thiokol for seven years.

JAMES B. STUART, age 52, joined the Company in October 1990 as Vice President, Marketing. Mr. Stuart had been Senior Vice President, Sales and Marketing with JTL Corporation from 1980 until such company was acquired by The Coca-Cola Company in 1986. From 1987 until joining the Company in 1990, Mr. Stuart formed his own marketing company, serving a number of clients inside and outside the soft drink industry. During this period, he worked almost exclusively with the International Business Sector of The Coca-Cola Company.

STEVEN D. WESTPHAL, age 40, is Vice President and Controller of the Company, a position he has held since November 1987. Prior to joining the Company, he was Vice President-Finance for Joyce Beverages, an independent bottler, beginning in January 1985. Prior to working for Joyce Beverages, he was Director of Corporate Planning for Mid-Atlantic Coca-Cola Bottling Company, Inc. from December 1981 to December 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 in the over-the-counter market and is quoted on the NASDAQ National Market System 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 1994	
	High	Low
First quarter	$ 37 1/4	$ 27
Second quarter	30 1/4	24
Third quarter	31	26 3/4
Fourth quarter	29 3/4	24

	1993	
	High	Low
First quarter	$ 20 1/4	$ 17
Second quarter	27 3/4	17 3/4
Third quarter	35 1/2	26 1/4
Fourth quarter	41 1/2	33 1/4

The quarterly dividends declared by the Company per share of Common Stock and Class B Common Stock for the fiscal years ended January 1, 1995 and January 2, 1994 are presented below.

	Fiscal Year			
	1994		1993	
	Common	Class B	Common	Class B
First quarter	$ .25	$ .25	$ .22	$ .13
Second quarter	.25	.25	.22	.13
Third quarter	.25	.25	.22	.13
Fourth quarter	.25	.25	.22	.13
Total cash dividends declared per share	$1.00	$ 1.00	$ .88	$ .52
Total cash dividends declared (in thousands)	$7,958	$ 1,336	$6,970	$ 695

Dividends on the Class B Common Stock are permitted to equal, but not exceed, dividends on the Common Stock. At its December 8, 1993 meeting, the Board of Directors stated its intention to increase and equalize dividends on the Company's two classes of common stock, subject to the Company's overall financial condition.

On February 8, 1994, the Board of Directors declared an increase in the first quarter 1994 dividends. Shareholders of record as of February 24, 1994 received $.25 per share on both their Common Stock and Class B Common Stock shares, payable on March 10, 1994. This dividend rate was maintained throughout 1994.

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.

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. Reference should be made to Article Fourth of the Company's Certificate of Incorporation for additional provisions relating to the relative dividend rights of holders of Common Stock and Class B Common Stock.

The number of shareholders of record of the Common Stock and Class B Common Stock, as of March 15, 1995, was 1,210 and 14, respectively.

Item 6 -- Selected Financial Data

The following table sets forth certain selected financial data concerning the Company for the five years ended January 1, 1995. The data for the five years ended January 1, 1995 is unaudited but is derived from audited 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 which details the Company's significant acquisitions and divestitures since 1984.

COCA COLA BOTTLING CO. CONSOLIDATED
SELECTED FINANCIAL DATA*
In Thousands (Except Per Share Data)

Summary of Operations	Fiscal Year 1994	1993	1992	1991	1990
Net sales	$723,896	$686,960	$ 655,778	$464,733	$436,086
Cost of products sold	427,140	396,077	372,865	262,887	245,890
Selling expenses	149,992	144,411	151,382	107,266	95,934
General and administrative expenses	54,559	51,125	47,154	37,995	35,008
Depreciation expense	24,188	23,284	22,217	18,785	18,814
Amortization of goodwill and intangibles	12,309	14,784	18,326	10,884	10,700
Total costs and expenses	668,188	629,681	611,944	437,817	406,346
Income from operations	55,708	57,279	43,834	26,916	29,740
Interest expense	31,385	30,994	36,862	21,556	24,087
Other income (expense), net	63	(2,270)	(2,121)	(2,404)	(3,448)
Income before income taxes, extraordinary items and effect of accounting changes	24,386	24,015	4,851	2,956	2,205
Federal and state income taxes	10,239	9,182	2,768	20	1,976
Income before extraordinary items and effect of accounting changes	14,147	14,833	2,083	2,936	229
Extraordinary credit					1,975
Effect of accounting changes	(2,211)		(116,199)		
Net income (loss)	11,936	14,833	(114,116)	2,936	2,204
Preferred stock dividends			4,195	728	448
Net income (loss) applicable to common shareholders	$ 11,936	$ 14,833	$(118,311)	$ 2,208	$ 1,756
Income (loss) per share:					
Income (loss) before extraordinary items and effect of accounting changes, less preferred stock dividends	$ 1.52	$ 1.60	$ (.23)	$ .24	$ (.02)
Extraordinary credit					.21
Effect of accounting changes	(.24)		(12.66)		
Net income (loss) applicable to common shareholders	$ 1.28	$ 1.60	$ (12.89)	$ .24	$ .19
Cash dividends per share:					
Common	$ 1.00	$ .88	$ .88	$ .88	$ .88
Class B Common	$ 1.00	$ .52	$ .52	$ .52	$ .52
Year-End Financial Position					
Total assets	$664,159	$648,449	$ 785,871	$785,196	$467,972
Long-term debt	432,971	434,358	555,126	479,414	237,564
Redeemable preferred stock				7,280	7,280
Shareholders' equity	33,981	29,629	25,806	205,426	160,815
Other Information					
Weighted average number of Common and Class B Common shares outstanding	9,294	9,258	9,181	9,181	9,181

* In December 1991, the Company acquired Sunbelt. See Note 2 to the consolidated financial statements for information concerning the Company's investment in Piedmont Coca-Cola Bottling Partnership. During 1992, the Company changed its method of accounting for income taxes and for postretirement benefits other than pensions, as described in Notes 9 and 12. In 1994, the Company adopted the provisions of SFAS 112, as described in Note 12.

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

Introduction

Coca-Cola Bottling Co. Consolidated ("the Company") is engaged in the production, marketing and distribution of soft drinks, primarily products of The Coca-Cola Company. Since 1984, the Company has expanded its franchise territory throughout the Southeast, primarily through acquisitions.

On July 2, 1993, the Company and The Coca-Cola Company formed Piedmont Coca-Cola Bottling Partnership ("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 majority 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 own a 50% interest in Piedmont. Subsidiaries of the Company made an initial capital contribution to Piedmont of $70 million in the aggregate. The Company's capital contribution was composed of approximately $21.7 million in cash and of bottling operations and certain assets used in connection with the Company's Wilson, North Carolina and Greenville and Beaufort, South Carolina territories. The cash contributed to Piedmont by the Company's subsidiaries was provided from the Company's available credit facilities. The Company sold other territories to Piedmont for an aggregate purchase price of approximately $118 million. Assets were sold or contributed at their approximate carrying values. Proceeds from the sale of territories to Piedmont, net of the Company's cash contribution, totaled approximately $96 million and were used to reduce the Company's long-term debt. The Company is accounting for its investment in Piedmont using the equity method of accounting.

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 Company is a member of the cooperative and receives a fee for managing the day-to-day operations of SAC pursuant to this 10-year management agreement. SAC has significantly expanded its operations by adding two PET bottling lines. These new bottling lines will supply a portion of the Company's volume requirements for PET product. On July 22, 1994, the Company guaranteed expansion financing for SAC of up to $15 million. As of January 1, 1995, the amount guaranteed was $11.0 million. On March 31, 1995, the Company amended its guarantee to include a $5 million portion of SAC's working capital facility.

Results of Operations

1994 Compared to 1993

The Company reported net income applicable to common shareholders of $11.9 million or $1.28 per share for fiscal 1994 compared to $14.8 million or $1.60 per share for fiscal 1993. A one-time, after-tax noncash charge of $2.2 million or $.24 per share was recorded in the first quarter of 1994 upon the adoption of Statement of Financial Accounting Standards No. 112, "Employers' Accounting for Postemployment Benefits" ("SFAS 112"). SFAS 112 requires the accrual, during the years that employees render service, of the expected cost of providing postemployment benefits if certain criteria are met. The Company does not expect any significant impact on the results of future operations due to the adoption of this accounting standard.

Pretax earnings in 1994 were slightly higher than pretax earnings in 1993 despite an increase in short-term interest rates that increased interest expense by approximately 10% in the second half of 1994 versus the second half of 1993.

Due to the formation of Piedmont on July 2, 1993, results of operations for 1994 are not directly comparable to the results of operations for 1993. On a comparable franchise territory basis, net franchise sales for 1994 increased 5.2%, reflecting a volume increase of 4.6% and slightly higher average net selling prices. The higher net selling prices maintained the increases in net selling prices realized in 1993 versus 1992. Sales to other bottlers increased 57% during 1994 as compared to 1993 primarily due to the sale of soft drink products to Piedmont. Finished products are sold to Piedmont at cost.

When adjusted for comparable territories, gross margin increased 4.8%. As a percentage of net franchise sales, gross margin decreased slightly due to higher ingredient costs. Packaging costs began to increase at the end of the fourth quarter of 1994 and are continuing to increase in 1995. The Company is focused on achieving net selling price increases in 1995 to cover the increased cost of raw materials.

Excluding the results of the territories sold or contributed to Piedmont from 1993 results, selling expenses increased from approximately 24.3% of net franchise sales in 1993 to approximately 26.3% of net franchise sales in 1994. New sales development programs contributed to the increase in selling expenses and resulted in improved market share. Higher employment costs were incurred due to planned increases in certain sales and operations functions to improve customer service and

to reduce turnover. Increased expenses associated with the cold drink effort resulted in a record number of placements of vending equipment. For the comparable franchise territories, general and administrative expenses as a percentage of net sales increased slightly due to higher employment costs.

Amortization of goodwill and intangibles decreased 16.7% for fiscal 1994, reflecting the 1993 sale and contribution of franchise territories to Piedmont. Depreciation expense increased 3.9% as a result of increased capital spending, primarily for manufacturing improvements related to packaging changes and other line efficiency projects.

Interest expense increased 1.3% due to increased short-term interest rates. The Company's overall weighted average borrowing rate on its long-term debt increased from an average of 5.9% during 1993 to an average of 6.6% during 1994.

The change in "other income (expense), net" for 1994 was due primarily to a third quarter 1994 gain on the sale of one of the Company's aircraft and a first quarter 1994 gain on the sale of an idle production facility. This facility was acquired in the 1991 Sunbelt acquisition and was closed in April 1992. Gains of approximately $1.4 million on sales of property, plant and equipment were included in "other income (expense), net" in 1994. Losses of approximately $1.1 million on sales of property, plant and equipment were included in "other income (expense), net" in 1993.

The effective tax rate for federal and state income taxes was approximately 42% in 1994 versus approximately 38% in 1993. The difference between the effective rate and the statutory rate was due primarily to amortization of nondeductible goodwill, state income taxes, nondeductible premiums on officers' life insurance and other nondeductible expenses. The 1993 rate was lower due to the utilization of certain tax benefits from prior years. The formation of Piedmont allowed the utilization of these benefits.

1993 Compared to 1992

The Company reported net income applicable to common shareholders of $14.8 million or $1.60 per share for fiscal 1993. This compares with 1992's net loss applicable to common shareholders of $2.1 million or $.23 per share before the effect of accounting changes related to the adoption of SFAS 106, "Employers' Accounting for Postretirement Benefits Other than Pensions," and SFAS 109, "Accounting for Income Taxes." For 1992, the reported net loss applicable to common shareholders was $118.3 million or $12.89 per share. The 1992 results included $116.2 million of noncash charges associated with the adoption of SFAS 109 and SFAS 106.

The record 1993 results were due to increased net selling prices, slightly higher volume, lower packaging costs, lower financing costs, a lower effective tax rate and the formation of Piedmont. The reduction of one work-week in fiscal 1993 and the formation of Piedmont on July 2, 1993 make reported results less comparable.

Net sales increased by approximately 5% from 1992 to 1993. On a comparable franchise territory and fiscal period basis, net franchise sales for 1993 increased by more than 4%, reflecting higher net selling prices and slightly higher case volume. Sales to other bottlers increased by $58.8 million in 1993 primarily due to the sale of soft drink products to Piedmont.

Gross margin as reported increased by approximately 3%. When adjusted for comparable franchise territory and fiscal days, franchise gross margin increased by approximately 11% due to increased net selling prices and lower packaging costs.

Selling expenses decreased by 4.6% and declined as a percentage of net sales due primarily to reductions in operating costs resulting from the elimination of expenses associated with territories sold to Piedmont. General and administrative expenses increased by 8.4% as a result of increased employment costs.

Depreciation expense increased by 4.8% during 1993. The sale and contribution of certain fixed assets to Piedmont and normal retirements were more than offset by additions to property, plant and equipment.

Amortization of goodwill and intangibles declined 19.3% primarily due to the sale and contribution of franchise territories to Piedmont.

Financing costs declined in 1993 as compared to 1992 due to lower interest rates and a reduction in long-term debt primarily resulting from the use of proceeds from the sale of territories to Piedmont. During the fourth quarter of 1992, the Company redeemed all outstanding shares of preferred stock. Dividends of $4.2 million were paid in 1992 on these preferred shares.

Reported income tax expense differs from the amount computed at the statutory rate primarily due to amortization of certain nondeductible goodwill, state income taxes and the effect of the change in statutory rates on the deferred income tax

liability as of the beginning of the year. As a result of the enactment of the Omnibus Budget Reconciliation Act of 1993, the Company recorded an additional income tax charge of approximately $2.1 million to reflect the change in the maximum federal corporate tax rate from 34% to 35%. Due to the Company's restructuring related to the formation of Piedmont and a significant increase in profitability, the Company reduced a valuation allowance that had been recorded due to restrictions on the use of certain net operating losses.

Financial Condition

Working capital increased by $6.4 million from a deficit of $24.9 million on January 2, 1994 to a deficit of $18.5 million on January 1, 1995. The working capital deficit is a result of the Company's sale of its trade accounts receivable. The Company had sold trade accounts receivable of $35 million and $33 million as of January 1, 1995 and January 2, 1994, respectively. Proceeds from the sale of the Company's trade accounts receivable were used to reduce its outstanding long-term debt.

The increase in working capital was primarily due to increases in inventories and trade accounts receivable. The increase in inventories was primarily due to the timing of purchases of certain packaging materials and an increase in the number of stock keeping units. Trade accounts receivable increased principally due to increases in net sales.

Additions to property, plant and equipment were $49.3 million in 1994. During the year, the Company purchased, rather than leased, new vehicles. In addition, certain improvements were made at the manufacturing facilities to produce new packages. Expenditures for 1995 capital additions are expected to be lower than 1994 expenditures.

Other liabilities increased by $7.0 million primarily due to deferred revenue received from certain franchisors under multi-year marketing programs.

Liquidity and Capital Resources

On March 17, 1992, the Company entered into a revolving credit agreement totaling $170 million that eliminated the term loan portion of the facility and extended the revolving credit maturity date to March 1997. The agreement contains several covenants that establish minimum ratio requirements related to debt and cash flow. A commitment fee of 1/5% per year on the average daily unused amount of the banks' commitment is payable quarterly. On January 1, 1995, there were no amounts outstanding under this facility.

The Company borrows from time to time under informal lines of credit from various banks. On January 1, 1995, the Company had $225 million available under these lines, of which $93.4 million was outstanding. Loans under these lines are made at the sole discretion of the banks at rates negotiated at the time of borrowing.

A $100 million commercial paper program was established in January 1990 for general corporate purposes. On January 1, 1995, there were no amounts outstanding under this program.

It is the Company's intent to renew any borrowings under the revolving credit facility and the lines of credit as they mature and, to the extent that any borrowings under the revolving credit facility, the informal lines of credit and commercial paper program do not exceed the amount available under the Company's $170 million revolving credit facility, they are classified as noncurrent liabilities.

On June 26, 1992, the Company entered into a three-year arrangement under which it has the right to sell an undivided interest in a designated pool of trade accounts receivable for up to a maximum of $40 million. On January 1, 1995, the Company had sold $35 million of its trade accounts receivable and used the proceeds to reduce its outstanding bank long-term debt. It is the Company's intent to seek renewal of this arrangement prior to its expiration.

On October 30, 1992, the Company entered into a three-year, $50 million loan agreement. This agreement was amended November 30, 1992 to increase this facility by $25 million to a total of $75 million. The proceeds from the loan agreement were used primarily to redeem the Company's outstanding preferred stock. On January 31, 1994, funds from informal lines of credit were used to repay the $75 million loan agreement.

On October 12, 1994, a $400 million shelf registration for debt and equity securities filed with the Securities and Exchange Commission became effective and available for issuance. As of January 1, 1995, no securities had been issued under this shelf registration. In any future offering under such registration, net proceeds from sales of the securities would be used for general corporate purposes, including repayment of debt, future acquisitions, capital expenditures and/or working capital.

As of January 1, 1995, the Company was in compliance with the covenants contained in its various borrowing agreements.

The Company uses interest rate hedging products to cost effectively modify risk from interest rate fluctuations in its underlying debt. The Company has historically altered its fixed/floating rate mix based upon anticipated operating cash flows of the Company relative to its debt level and the Company's ability to absorb increases in interest rates. Sensitivity analyses are performed to review the impact on the Company's financial position and coverages of various interest rate movements. The Company does not use derivative financial instruments for trading purposes.

The Company uses interest rate swaps to alter the interest rate characteristics of its underlying debt and thereby realign the fixed/floating rate mix of its debt. Where an interest rate swap has previously been used, the Company's choices to alter the interest rate characteristics of its underlying debt include modification of the underlying debt instrument, termination of the existing swap or purchase of an offsetting swap. Each of these alternatives is considered and the most cost effective option is selected. Offsetting swaps rather than original swaps are sometimes used to help mitigate counterparty credit risk. If an offsetting swap is entered into with the same counterparty, a netting of payments occurs that reduces counterparty credit exposure as well as administrative burden. The offsetting swaps along with original swaps and the underlying debt are accounted for as a combined instrument. All of the Company's outstanding interest rate swap agreements are LIBOR-based.

The Company enters into interest rate cap agreements to limit the exposure to increasing interest rates with respect to its floating rate debt. Occasionally, forward rate agreements are used to fix interest rate reset periods on debt that is floating. There were no forward rate agreements outstanding on January 1, 1995.

The Company has entered into a series of hedging transactions that resulted in a weighted average interest rate of 7.0% for the debt portfolio as of January 1, 1995. After taking into account all of the interest rate hedging activities, approximately 47% of the Company's debt portfolio of $433 million was subject to changes in short-term interest rates as of January 1, 1995.

Leasing has continued to be used to lower the Company's overall cost for certain capital equipment purchases. Total lease expense in 1994 was $20.9 million compared to $17.3 million in 1993. The Company plans to lease the majority of its vending and fleet requirements in 1995.

At the end of 1994, the Company had no material commitments for the purchase of capital assets other than those related to normal replacement of equipment.

Management believes that the Company, through the generation of cash flow from operations and the utilization of unused borrowing capacity, has sufficient financial resources available to maintain its current operations and provide for its current capital expenditure requirements. The Company considers the acquisition of additional franchise territories on an ongoing basis.

Item 8 -- Financial Statements and Supplementary Data

COCA-COLA BOTTLING CO. CONSOLIDATED
CONSOLIDATED BALANCE SHEETS
In Thousands (Except Share Data)

	Jan. 1, 1995	Jan. 2, 1994
ASSETS		
Current assets:		
Cash	$ 1,812	$ 1,262
Accounts receivable, trade, less allowance for doubtful accounts of $400 and $425	7,756	4,960
Accounts receivable from The Coca-Cola Company	4,514	6,698
Due from Piedmont Coca-Cola Bottling Partnership	1,383	2,454
Accounts receivable, other	7,232	10,758
Inventories	31,871	27,533
Prepaid expenses and other current assets	5,054	3,325
Total current assets	59,622	56,990
Property, plant and equipment, less accumulated depreciation of $141,419 and $134,546	185,633	163,015
Investment in Piedmont Coca-Cola Bottling Partnership	67,729	68,400
Other assets	23,394	20,109
Identifiable intangible assets, less accumulated amortization of $75,667 and $65,803	257,851	267,715
Excess of cost over fair value of net assets of businesses acquired, less accumulated amortization of $21,689 and $19,399	69,930	72,220
Total	$664,159	$648,449

See Accompanying Notes to Consolidated Financial Statements.

	Jan. 1, 1995	Jan. 2, 1994
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Portion of long-term debt payable within one year	$ 300	$ 711
Accounts payable and accrued liabilities	59,413	67,026
Accounts payable to The Coca-Cola Company	2,930	1,876
Accrued compensation	4,246	2,206
Accrued interest payable	11,275	10,108
Total current liabilities	78,164	81,927
Deferred income taxes	89,531	80,065
Other liabilities	29,512	22,470
Long-term debt	432,971	434,358
Total liabilities	630,178	618,820
Shareholders' Equity:		
Convertible Preferred Stock, $100 par value: Authorized-50,000 shares; Issued-None		
Nonconvertible Preferred Stock, $100 par value: Authorized-50,000 shares; Issued-None		
Preferred Stock, $.01 par value: Authorized-20,000,000 shares; Issued-None		
Common Stock, $1 par value: Authorized-30,000,000 shares; Issued-10,090,859 shares	10,090	10,090
Class B Common Stock, $1 par value: Authorized-10,000,000 shares; Issued-1,964,476 shares	1,965	1,965
Class C Common Stock, $1 par value: Authorized-20,000,000 shares; Issued-None		
Capital in excess of par value	130,028	139,322
Accumulated deficit	(86,552)	(98,488)
Minimum pension liability adjustment	(3,904)	(5,614)
	51,627	47,275
Less-Treasury stock, at cost:		
Common-2,132,800 shares	17,237	17,237
Class B Common-628,114 shares	409	409
Total shareholders' equity	33,981	29,629
Total	$664,159	$648,449

See Accompanying Notes to Consolidated Financial Statements.

COCA-COLA BOTTLING CO. CONSOLIDATED
CONSOLIDATED STATEMENTS OF OPERATIONS
In Thousands (Except Per Share Data)

	Fiscal Year		
	1994	1993	1992
Net sales (includes sales to Piedmont of $85,272 and $42,183 in 1994 and 1993)	$723,896	$686,960	$ 655,778
Cost of products sold, excluding depreciation shown below (includes $75,879 and $38,944 related to sales to Piedmont in 1994 and 1993)	427,140	396,077	372,865
Gross margin	296,756	290,883	282,913
Selling expenses	149,992	144,411	151,382
General and administrative expenses	54,559	51,125	47,154
Depreciation expense	24,188	23,284	22,217
Amortization of goodwill and intangibles	12,309	14,784	18,326
Income from operations	55,708	57,279	43,834
Interest expense	31,385	30,994	36,862
Other income (expense), net	63	(2,270)	(2,121)
Income before income taxes and effect of accounting changes	24,386	24,015	4,851
Federal and state income taxes:			
Current	304	1,921	48
Deferred	9,935	7,261	2,720
Total federal and state income taxes	10,239	9,182	2,768
Income before effect of accounting changes	14,147	14,833	2,083
Effect of accounting changes	(2,211)		(116,199)
Net income (loss)	11,936	14,833	(114,116)
Preferred stock dividends			4,195
Net income (loss) applicable to common shareholders	$ 11,936	$ 14,833	$(118,311)
Income (loss) per share:			
Income (loss) before effect of accounting changes, less preferred stock dividends	$ 1.52	$ 1.60	$ (.23)
Effect of accounting changes	(.24)		(12.66)
Net income (loss) applicable to common shareholders	$ 1.28	$ 1.60	$ (12.89)
Cash dividends per share:			
Common Stock	$ 1.00	$ .88	$ .88
Class B Common Stock	1.00	.52	.52
Weighted average number of Common and Class B Common shares outstanding	9,294	9,258	9,181

See Accompanying Notes to Consolidated Financial Statements.

COCA-COLA BOTTLING CO. CONSOLIDATED
CONSOLIDATED STATEMENTS OF CASH FLOWS
In Thousands

	Fiscal Year		
	1994	1993	1992
Cash Flows from Operating Activities			
Net income (loss)	$ 11,936	$ 14,833	$(114,116)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Effect of accounting changes	2,211		116,199
Depreciation expense	24,188	23,284	22,217
Amortization of goodwill and intangibles	12,309	14,784	18,326
Deferred income taxes	9,935	7,261	2,720
(Gains) losses on sale of property, plant and equipment	(1,361)	1,148	574
Amortization of debt costs	448	511	676
Undistributed loss of Piedmont Coca-Cola Bottling Partnership	671	1,600	
(Increase) decrease in current assets less current liabilities	(7,256)	813	4,784
Increase in other noncurrent assets	(3,287)	(4,414)	(4,917)
Increase (decrease) in other noncurrent liabilities	6,368	(25)	(7,049)
Other	521	25	33
Total adjustments	44,747	44,987	153,563
Net cash provided by operating activities	56,683	59,820	39,447
Cash Flows from Financing Activities			
Proceeds from the issuance of long-term debt			80,109
Payments on long-term debt	(1,387)	(120,768)	(4,397)
Issuance of Common Stock		2,269	
Redemption of preferred stock and redeemable preferred stock			(60,991)
Cash dividends paid	(9,294)	(7,665)	(11,793)
Other	(1,654)	(1,376)	4,695
Net cash provided by (used in) financing activities	(12,335)	(127,540)	7,623
Cash Flows from Investing Activities			
Additions to property, plant and equipment	(49,292)	(28,786)	(32,887)
Proceeds from the sale of property, plant and equipment	5,494	1,908	2,931
Acquisitions of companies, net of cash acquired		(1,488)	(16,699)
Net proceeds from sale and contribution of assets to Piedmont Coca-Cola Bottling Partnership		95,934	
Net cash provided by (used in) investing activities	(43,798)	67,568	(46,655)
Net increase (decrease) in cash	550	(152)	415
Cash at beginning of year	1,262	1,414	999
Cash at end of year	$ 1,812	$ 1,262	$ 1,414

See Accompanying Notes to Consolidated Financial Statements.

COCA-COLA BOTTLING CO. CONSOLIDATED
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
In Thousands

	Preferred Stock	Common Stock	Class B Common Stock	Capital in Excess of Par Value	Accumulated Deficit	Minimum Pension Liability Adjustment	Treasury Stock
Balance on December 29, 1991	$ 50,000	$ 9,976	$1,966	$ 160,335	$ 795		$ 17,646
Net loss					(114,116)		
Cash dividends declared:							
Common				(7,598)			
Preferred				(4,195)			
Redemption of Preferred Stock	(50,000)						
Premium on Preferred Stock redeemed				(3,711)			
Conversion of Class B Common Stock into Common Stock		1	(1)				
Balance on January 3, 1993	0	9,977	1,965	144,831	(113,321)		17,646
Net income					14,833		
Cash dividends declared:							
Common				(7,665)			
Issuance of Common Stock		113		2,156			
Minimum pension liability adjustment						$ (5,614)	
Balance on January 2, 1994	0	10,090	1,965	139,322	(98,488)	(5,614)	17,646
Net income					11,936		
Cash dividends declared:							
Common				(9,294)			
Minimum pension liability adjustment						1,710	
Balance on January 1, 1995	$ 0	$10,090	$1,965	$ 130,028	$ (86,552)	$ (3,904)	$ 17,646

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 soft drinks, primarily products of The Coca-Cola Company.

The consolidated financial statements include the accounts of the Company and its majority owned subsidiaries. All significant intercompany accounts and transactions have been eliminated.

The fiscal years presented are the 52-week periods ended January 1, 1995 and January 2, 1994 and the 53-week period ended January 3, 1993.

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

The Company's more 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.

Inventories

Inventories are stated at the lower of cost, primarily determined on the last-in, first-out basis, 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.

Investment in Piedmont Coca-Cola Bottling Partnership

The Company beneficially owns a 50% interest in Piedmont Coca-Cola Bottling Partnership ("Piedmont"). The Company accounts 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 are included in "Net sales." See Note 2 for additional information.

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.

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.

Intangible Assets and Excess of Cost Over Fair Value of Net Assets of Businesses Acquired

Identifiable intangible assets resulting from the acquisition of Coca-Cola bottling franchises are being amortized on a straight-line basis over periods ranging from 17 to 40 years. The excess of cost over fair value of net assets of businesses acquired is being amortized on a straight-line basis over 40 years.

The Company continually monitors conditions that may affect the carrying value of its intangible assets. When conditions indicate potential impairment of an intangible asset, the Company will undertake necessary market studies and reevaluate projected future cash flows associated with the intangible asset. When projected future cash flows, not discounted for the time value of money, are less than the carrying value of the intangible asset, the impaired asset is written down to its net realizable value.

Per Share Amounts

Per share amounts are calculated based on the weighted average number of Common and Class B Common shares outstanding.

Postemployment Benefits

In November 1992, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 112, "Employers' Accounting for Postemployment Benefits" ("SFAS 112"). SFAS 112 requires the accrual, during the years that employees render service, of the expected cost of providing postemployment benefits if certain criteria are met. Postemployment benefits encompass various types of employer-provided benefits including, but not limited to, workers' compensation, disability-related benefits and severance benefits.

The Company adopted the provisions of SFAS 112 in the first quarter of 1994, effective January 3, 1994.

Derivative Financial Instruments

Premiums paid for interest rate cap agreements are amortized to interest expense over the terms of the agreements. Unamortized premiums are included in other liabilities. Amounts receivable under cap agreements are accrued as a reduction of interest expense.

Unamortized deferred gains or losses on interest rate swap terminations are amortized over the lives of the initial agreements as an adjustment to interest expense. Amounts receivable or payable under interest rate swap agreements are included in other assets or other liabilities.

Forward rate agreements are used to fix the interest rate reset periods on a portion of debt that is floating. The differential to be paid or received under these agreements is accrued as interest rates change and is recognized as an adjustment to interest expense over the terms of the agreements. Amounts receivable or payable under forward rate agreements are included in other assets or other liabilities.

2. Investment in Piedmont Coca-Cola Bottling Partnership

On July 2, 1993, the Company and The Coca-Cola Company formed Piedmont Coca-Cola Bottling Partnership ("Piedmont") to distribute and market soft drink products primarily in certain portions of North Carolina and South Carolina. The Company and The Coca-Cola Company, through their respective subsidiaries, each beneficially own a 50% interest in Piedmont. The Company provides a majority of the soft drink products for Piedmont and receives a fee for managing the operations of Piedmont pursuant to a management agreement.

Subsidiaries of the Company made an initial capital contribution to Piedmont of $70 million in the aggregate. The capital contribution made by such subsidiaries was composed of approximately $21.7 million in cash and of bottling operations and certain assets used in connection with the Company's Wilson, North Carolina and Greenville and Beaufort, South Carolina territories. The cash contributed to Piedmont by the Company's subsidiaries was provided from the Company's available credit facilities. The Company sold other territories to Piedmont for an aggregate purchase price of approximately $118 million. Assets were sold or contributed at their approximate carrying values. Proceeds from the sale of territories to

Piedmont, net of the Company's cash contribution, totaled approximately $96 million and were used to reduce the Company's long-term debt.

Summarized financial information for Piedmont is as follows:

In Thousands	Jan. 1, 1995	Jan. 2, 1994
Current assets	$ 18,907	$ 17,994
Noncurrent assets	358,371	363,337
Total assets	$377,278	$381,331
Current liabilities	$ 7,035	$ 9,867
Noncurrent liabilities	234,785	234,664
Total liabilities	241,820	244,531
Partners' equity	135,458	136,800
Total liabilities and partners' equity	$377,278	$381,331
Company's equity investment	$ 67,729	$ 68,400

In Thousands	Fiscal Year 1994	For the period July 2, 1993 through January 2, 1994
Net sales	$194,054	$ 91,259
Cost of products sold	109,563	52,535
Gross margin	84,491	38,724
Income from operations	6,705	1,209
Net loss	$ (1,342)	$ (3,200)
Company's equity in loss	$ (671)	$ (1,600)

3. Inventories

Inventories are summarized as follows:

In Thousands	Jan. 1, 1995	Jan. 2, 1994
Finished products	$ 17,621	$ 16,622
Manufacturing materials	12,638	9,498
Used bottles and cases	1,612	1,413
Total inventories	$ 31,871	$ 27,533

The amounts included above for inventories valued by the LIFO method were greater than replacement or current cost by approximately $2.1 million and $2.5 million on January 1, 1995 and January 2, 1994, respectively, as a result of inventory premiums associated with certain acquisitions.

4. Property, Plant and Equipment

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

In Thousands	Jan. 1, 1995	Jan. 2, 1994	Estimated Useful Lives
Land	$ 9,898	$ 10,851	
Buildings	65,973	60,907	10-50 years
Machinery and equipment	76,296	65,945	5-20 years
Transportation equipment	42,439	33,246	4-10 years
Furniture and fixtures	21,180	18,437	7-10 years
Vending equipment	88,666	89,280	6-13 years
Leasehold and land improvements	18,049	12,619	5-20 years
Construction in progress	4,551	6,276	
Total property, plant and equipment, at cost	327,052	297,561	
Less: Accumulated depreciation	141,419	134,546	
Property, plant and equipment, net	$185,633	$163,015	

5. Identifiable Intangible Assets

The principal categories and estimated useful lives of identifiable intangible assets, net of accumulated amortization, were as follows:

In Thousands	Jan. 1, 1995	Jan. 2, 1994	Estimated Useful Lives
Franchise rights	$223,679	$230,205	40 years
Customer lists	28,129	30,858	17-23 years
Advertising savings	5,278	5,792	17-23 years
Other	765	860	17-18 years
Total identifiable intangible assets	$257,851	$267,715	

6. Long-Term Debt

Long-term debt is summarized as follows:

In Thousands	Maturity	Interest Rate	Fixed(F) or Variable(V) Rate	Interest Paid	Jan. 1, 1995	Jan. 2, 1994
Lines of Credit	1997	5.75%-6.63%	V	Varies	$ 93,420	$ 18,335
Term Loan Agreement						75,000
Term Loan Agreement	2000	5.75%	V	Semi-annually	60,000	60,000
Term Loan Agreement	2001	5.69%	V	Semi-annually	60,000	60,000
Medium-Term Notes	1998	6.93%	V	Quarterly	10,000	10,000
Medium-Term Notes	1999	7.99%	F	Semi-annually	66,500	66,500
Medium-Term Notes	2000	10.05%	F	Semi-annually	57,000	57,000
Medium-Term Notes	2002	8.56%	F	Semi-annually	66,500	66,500
Notes acquired in Sunbelt acquisition	2001	8.00%	F	Quarterly	5,327	5,442
Capital leases and other notes payable	1995-2001	6.85%-12.00%	F	Varies	14,524	16,292
					433,271	435,069
Less: Portion of long-term debt payable within one year					300	711
Long-term debt					$432,971	$434,358

The principal maturities of long-term debt outstanding on January 1, 1995 were as follows:

In Thousands	
1996	$ 180
1997	93,547
1998	12,050
1999	66,550
Thereafter	260,644
Total long-term debt	$432,971

On March 17, 1992, the Company entered into a revolving credit agreement totaling $170 million which eliminated the term loan portion of the facility and extended the revolving credit maturity date to March 1997. The agreement contains several covenants which establish minimum ratio requirements related to debt and cash flow. A commitment fee of 1/5% per year on the average daily unused amount of the banks' commitment is payable quarterly. There were no amounts outstanding under this facility as of January 1, 1995.

A $100 million commercial paper program was established in January 1990 for general corporate purposes. On January 1, 1995, there were no amounts outstanding under this program.

The Company borrows from time to time under informal lines of credit from various banks. On January 1, 1995, the Company had $225 million of credit available under these lines, of which $93.4 million was outstanding. Loans under these lines are made at the sole discretion of the banks at rates negotiated at the time of borrowing. It is the Company's intent to

renew such borrowings as they mature. To the extent that these borrowings, the borrowings under the revolving credit facility described above, and outstanding commercial paper do not exceed the amount available under the Company's $170 million revolving credit facility, they are classified as noncurrent liabilities.

On February 12, 1990, a $200 million shelf registration for debt securities filed with the Securities and Exchange Commission became effective and available for the issuance of medium-term notes ("MTNs"). As of December 30, 1990, $67 million of eight- and ten-year MTNs had been issued. On February 19, 1992, the Company issued $133 million of seven- and ten-year MTNs, the proceeds of which were used to repay a portion of a bridge facility from Coca-Cola Financial Corporation ("CCFC"). As of February 19, 1992, all $200 million of MTNs had been issued for terms of seven, eight and ten years.

On June 28, 1990, the Company entered into an eight-year, $60 million loan agreement. On October 28, 1993, the Company amended the agreement, extending the term loan maturity date to October 28, 2001.

On February 20, 1992, the Company entered into a five-year, $60 million loan agreement. The proceeds from the loan agreement were used to repay portions of a bridge facility from CCFC and other senior debt. On October 28, 1993, the Company amended the agreement, extending the term loan maturity date to October 28, 2000.

On June 26, 1992, the Company entered into a three-year arrangement under which it has the right to sell an undivided interest in a designated pool of trade accounts receivable for up to a maximum of $40 million. As of January 1, 1995, the Company had sold $35 million of its trade accounts receivable and used the proceeds to reduce its outstanding long-term debt. It is the Company's intent to seek renewal of this arrangement prior to its expiration. The discount on sales of trade accounts receivable was $1.6 million in 1994, $1.4 million in 1993 and $1.6 million in 1992 and is included in "other income (expense), net."

On October 30, 1992, the Company entered into a three-year, $50 million loan agreement, amended November 30, 1992 to increase this facility by $25 million for a total of $75 million. The proceeds from the loan agreement were used primarily to redeem the Company's outstanding preferred stock. On January 31, 1994, funds from informal lines of credit were used to repay the $75 million loan agreement.

On October 12, 1994, a $400 million shelf registration for debt and equity securities filed with the Securities and Exchange Commission became effective and available for issuance. As of January 1, 1995, no securities had been issued under this shelf registration. In any future offering under such registration, net proceeds from sales of the securities would be used for general corporate purposes, including repayment of debt, future acquisitions, capital expenditures and/or working capital.

As of January 1, 1995, the Company was in compliance with the covenants covering all of its various borrowing agreements.

7. Derivative Financial Instruments

The Company uses interest rate hedging products to cost effectively modify risk from interest rate fluctuations in its underlying debt. The Company has historically altered its fixed/floating rate mix based upon anticipated operating cash flows of the Company relative to its debt level and the Company's ability to absorb increases in interest rates. These derivative financial instruments are not used for trading purposes.

The Company uses interest rate swaps to alter the interest rate characteristics of its underlying debt and thereby realign the fixed/floating rate mix of its debt. Where an interest rate swap has been previously used, the Company's choices to alter the interest rate characteristics of its underlying debt include modification of the underlying debt instrument, termination of the existing swap or purchase of an offsetting swap. Each of these alternatives is considered and the most cost effective option is selected. Offsetting swaps rather than an original swap are sometimes used to help mitigate counterparty credit risk. If an offsetting swap is entered into with the same counterparty, a netting of payments occurs which reduces counterparty credit exposure as well as administrative burden. The offsetting swaps along with original swaps and the underlying debt are accounted for as a combined instrument. All of the Company's outstanding interest rate swap agreements are LIBOR-based.

The Company enters into interest rate cap agreements to limit the exposure to increasing interest rates with respect to its floating rate debt. Occasionally, forward rate agreements are used to fix the next interest rate reset period(s) on debt that is floating. There were no forward rate agreements outstanding on January 1, 1995.

Derivative financial instruments are summarized as follows:

	Jan. 1, 1995		Jan. 2, 1994	
In Thousands	Amount	Remaining Term	Amount	Remaining Term
Interest rate swaps -- floating	$221,600	6-9 years	$221,600	7-10 years
Interest rate swaps -- fixed	215,000	1-9 years	368,000	1-10 years
Interest rate caps	110,000	.5 years	110,000	1.5 years

Collateral and Credit Risk

In accordance with standard market practice, no collateral has been given or received by the Company in connection with the derivative financial instruments described above. The Company is exposed to credit loss in the event of nonperformance by the other parties to the various derivative financial transactions as disclosed above. The amount of such exposure is generally the net unrealized gain or loss by the counterparty in such contracts. The Company does not anticipate nonperformance by other parties. The Company has entered into these derivative financial transactions with numerous counterparties during the year. The financial instruments outstanding on January 1, 1995 as disclosed above were with seven commercial or investment banks. It is the Company's belief that these transactions do not represent any material concentration of credit risk.

Interest Rate Swap Activity

The table below summarizes interest rate swap activity for the period ending January 1, 1995:

In Thousands	
Total swaps, January 2, 1994	$ 589,600
New swaps	
Terminated swaps	(50,000)
Expired swaps	(103,000)
Total swaps, January 1, 1995	$ 436,600

Deferred gains on terminated interest rate swap contracts were $4.2 million and $4.6 million on January 1, 1995 and January 2, 1994, respectively.

The Company has entered into a series of hedging transactions that resulted in a weighted average interest rate of 7.0% for the debt portfolio as of January 1, 1995. The Company's overall weighted average borrowing rate on its long-term debt increased from an average of 5.9% during 1993 to an average of 6.6% during 1994.

As of January 1, 1995, after taking into account all of the interest rate hedging activities, approximately 47% of the total debt portfolio of $433 million was subject to changes in short-term interest rates.

A rate increase of 1% would increase annual interest expense by approximately $2 million and net income applicable to common shareholders for the year ended January 1, 1995 would have been reduced by approximately $1.2 million. Interest coverage as of January 1, 1995 would have been 2.8 times (versus 2.9 times) if interest rates increased by 1%.

The following methods and assumptions were used by the Company in estimating the fair values of its 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 are based on current settlement values; fair values of the interest rate caps are negligible.

The carrying amounts and fair values of the Company's balance sheet and off-balance-sheet instruments were as follows:

	Jan. 1, 1995		Jan. 2, 1994	
In Thousands	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Balance Sheet Instruments				
Public debt	$ 200,000	$ 201,119	$ 200,000	$ 225,223
Non-public variable rate long-term debt	213,420	213,420	213,335	213,335
Non-public fixed rate long-term debt	19,851	19,030	21,659	23,367
Off-Balance-Sheet Instruments				
Interest rate swaps		(11,123)		(7,478)

The fair values of the interest rate swaps represent the estimated amounts the Company would have had to pay to terminate these agreements.

8. Commitments and Guarantees

Operating lease payments are charged to expense as incurred. Such rental expenses included in the consolidated statements of operations were $20.9 million, $17.3 million and $17.8 million for 1994, 1993 and 1992, respectively.

The following is a summary of future minimum lease payments for all operating leases as of January 1, 1995:

In Thousands	
1995	$19,175
1996	17,292
1997	14,542
1998	13,605
1999	9,720
Thereafter	21,341
Total minimum lease payments	$95,675

The Company is a member of one cooperative from which it is obligated to purchase a specified minimum number of plastic bottles on an annual basis through December 1998. The annual purchase commitment under this agreement is approximately $476,000. The Company is a member of another cooperative from which it is obligated to purchase a specified number of cases of canned finished product on an annual basis. The current annual purchase commitment under this agreement is approximately $16 million.

The Company guarantees a portion of the debt for one cooperative from which the Company purchases plastic bottles. The Company also guarantees a portion of debt for South Atlantic Canners, Inc., a manufacturing cooperative that is being managed by the Company. See Note 13 to the consolidated financial statements for additional information concerning these financial guarantees. The total amounts guaranteed on January 1, 1995 and January 2, 1994 were $31.0 million and $13.1 million, respectively.

9. Income Taxes

The Company adopted Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes" ("SFAS 109"), in 1992 with a charge of $109.1 million recorded as an "effect of accounting change." The provision for income taxes has been calculated under the requirements of SFAS 109 for all periods presented.

The provision for income taxes on income before effect of accounting changes consisted of the following:

	Fiscal Year		
In Thousands	1994	1993	1992
Current:			
Federal	$ 304	$ 1,921	
State			$ 48
	304	1,921	48
Deferred:			
Federal	8,957	(27,748)	2,227
State	1,213	(3,662)	493
Benefit of acquired loss carryforwards used to reduce franchise value		35,599	
Benefit (expense) of minimum pension liability adjustment	(359)	3,072	
Other	124		
	9,935	7,261	2,720
Income tax expense	$10,239	$ 9,182	$2,768

Income tax benefits of $1.7 million were recorded in 1994 in conjunction with the adoption of SFAS 112. Income tax benefits of $4.5 million were recorded in 1992 upon the adoption of SFAS 106.

The Company made income tax payments for alternative minimum tax of approximately $300,000 during 1994.

Deferred income taxes are recorded based upon differences between the financial statement and tax bases of assets and liabilities and available tax credit carryforwards. Temporary differences and carryforwards that comprised a significant part of deferred income tax assets and liabilities were as follows:

In Thousands	Jan. 1, 1995	Jan. 2, 1994
Intangible assets	$107,886	$102,680
Depreciation	22,249	21,971
Investment in Piedmont	18,715	19,030
Other	16,920	9,154
Gross deferred income tax liabilities	165,770	152,835
Net operating loss carryforwards	(56,497)	(52,682)
Other	(18,278)	(17,713)
Gross deferred income tax assets	(74,775)	(70,395)
Tax benefit of minimum pension liability adjustment	(2,713)	(3,072)
Deferred income tax liability	$ 88,282	$ 79,368

Net current deferred tax assets of $1.2 million and $.7 million were included in prepaid expenses and other current assets on January 1, 1995 and January 2, 1994, respectively.

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

In Thousands	Fiscal Year 1994	1993	1992
Statutory expense	$ 8,535	$ 8,405	$1,649
Amortization of franchise and goodwill assets	364	364	353
State income taxes, net of federal benefit	1,244	1,185	373
Effect of change in statutory tax rates		2,100	
Adjustment of valuation allowance		(3,216)	
Other	96	344	393
Income tax expense	$10,239	$ 9,182	$2,768

The Company had $3.0 million of investment tax credits available to reduce future income tax payments for federal income tax purposes on January 1, 1995. These credits expire in varying amounts through 2001.

On January 1, 1995, the Company had $139 million and $174 million of federal and state net operating losses, respectively, available to reduce future income taxes. The net operating loss carryforwards expire in varying amounts through 2007.

A valuation allowance of $29.9 million was recorded against certain income tax assets on January 3, 1993, primarily due to restrictions on the use of acquired net operating losses. The Company sold certain assets in connection with the 1993 formation of Piedmont that allowed utilization of these restricted net operating losses. The realization of the benefit from these net operating loss carryforwards resulted in a reduction of recorded franchise values of $35.6 million. Due to the Company's profitability, no valuation allowance was considered necessary on January 1, 1995.

The Omnibus Budget Reconciliation Act of 1993 increased the maximum federal income tax rate from 34% to 35% effective January 1, 1993. This increase resulted in additional income tax expense of $2.1 million for the year ended January 2, 1994.

10. Redeemable Preferred Stock

On April 20, 1990, the Company acquired all of the outstanding capital stock of Coca-Cola Bottling Works of Jackson, Incorporated and Jackson Coca-Cola Bottling Company, Inc. in Jackson, Tennessee. In connection with this acquisition, the Company issued 20,800 shares of its Series A Nonconvertible Preferred Stock, $100 par value. On November 30, 1992, the Company redeemed all outstanding shares of this preferred stock. Preferred dividends of $728,000 were paid in 1992 on these preferred shares.

11. Capital Transactions

On April 9, 1993, the Company acquired all of the outstanding stock of Whirl-i-Bird, Inc. in exchange for 80,000 shares of the Company's Common Stock valued at $1.6 million (based on the closing market price of $20 per share on March 17, 1993). Whirl-i-Bird, Inc. had previously leased a helicopter to the Company from time to time and was wholly owned by J. Frank Harrison, Jr., the Chairman of the Board of Directors of the Company. On June 25, 1993, the Company issued 33,464 shares of its Common Stock to The Coca-Cola Company at a price of $20 per share. These shares were issued pursuant to a Stock Rights and Restrictions Agreement dated January 27, 1989 that provided The Coca-Cola Company a preemptive right to purchase a number of shares of the Company's equity securities 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. This preemptive right was triggered by the issuance of shares pursuant to the Whirl-i-Bird transaction.

On December 20, 1991, the Company issued 25,000 shares of its Series B Nonconvertible Preferred Stock to Coca-Cola Financial Corporation at a subscription price of $50 million. These funds were used by the Company to repay certain indebtedness of Sunbelt Coca-Cola Bottling Company, Inc. ("Sunbelt"). On October 30, 1992, the Company redeemed the $50 million of Series B Nonconvertible Preferred Stock with funds obtained from a $50 million three-year bank term loan. Dividends of $3.5 million were paid in 1992 on these preferred shares.

On January 27, 1989, J. Frank Harrison, III, J. Frank Harrison, Jr. and Reid M. Henson, Co-Trustee, entered into a Voting Agreement with The Coca-Cola Company respecting all shares of Common Stock and Class B Common Stock of the Company which they hold or as to which, in the case of J. Frank Harrison, III and J. Frank Harrison, Jr., they had the right to vote or, as to Reid M. Henson, he had the right to vote as Co-Trustee of certain trusts (the "Voting Agreement"). Pursuant to the Voting Agreement, J. Frank Harrison, III, J. Frank Harrison, Jr. and Reid M. Henson, Co-Trustee, agreed to vote their shares of Common Stock and Class B Common Stock for a nominee (and any successor or replacement nominee) of The Coca-Cola Company for election to the Board of Directors of the Company. An irrevocable proxy was granted to J. Frank Harrison, III, for life and thereafter to J. Frank Harrison, Jr. by The Coca-Cola Company with respect to all shares of Class B Common Stock and Common Stock held by it during the term of the Voting Agreement (the "Irrevocable Proxy").

The Irrevocable Proxy covers voting on the election of directors and any other matters on which holders of Common Stock or Class B Common Stock are entitled to vote; however, the Irrevocable Proxy does not cover voting with respect to any merger, consolidation, sale of all or substantially all of the Company's assets, any other corporate reorganization or other similar corporate transaction involving the Company in which Messrs. Harrison, III and Harrison, Jr. would not exercise voting control over, or The Coca-Cola Company would not have an equity interest in, the resulting entity.

The Coca-Cola Company agreed in the Voting Agreement to support the control of the Company by the Harrison family, provided that Messrs. Harrison, III and Harrison, Jr. or either of them are actively involved in the Company's management.

Shareholders with Class B Common Stock are entitled to 20 votes per share compared to one vote per share on the Common Stock. Dividends on the Class B Common Stock are permitted to equal, but not exceed, dividends on the Common Stock. On February 8, 1994, the Board of Directors increased the dividend for the first quarter of 1994 to $.25 per share on both the Common and Class B Common shares outstanding. This dividend rate was maintained throughout 1994.

On March 8, 1989, the Company granted J. Frank Harrison, Jr. an option for the purchase of 100,000 shares of Common Stock exercisable at the closing market price of the stock on the day of grant. The closing market price of the stock on March 8, 1989 was $27.00 per share. The option is exercisable, in whole or in part, at any time at the election of

Mr. Harrison, Jr. over a period of 15 years from the date of grant. This option has not been exercised with respect to any such shares.

On August 9, 1989, the Company granted J. Frank Harrison, III an option for the purchase of 150,000 shares of Common Stock exercisable at the closing market price of the stock on the day of grant. The closing market price of the stock on August 9, 1989 was $29.75 per share. The option may be exercised, in whole or in part, during a period of 15 years beginning on the date of grant. The option is currently exercisable with respect to 120,000 shares and is exercisable with respect to an additional 7,500 shares annually. This option has not been exercised with respect to any such shares.

12. Benefit Plans

Pension plan expense related to the Company-sponsored pension plans for 1994, 1993 and 1992 was $2,607,000, $2,484,000 and $812,000, respectively, including the pro rata share of past service costs, which are being amortized over 30 years. In addition, certain employees are covered by pension plans administered by unions. Expense associated with the union plans was $806,000, $736,000 and $709,000 for 1994, 1993 and 1992, respectively.

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 tax purposes.

The following table sets forth the status of the Company-sponsored plans:

In Thousands	Jan. 1, 1995	Jan. 2, 1994
Actuarial present value of benefit obligations:		
Accumulated benefit obligation, including vested benefits of $40,779 and $40,310	$ 42,282	$ 43,507
Projected benefit obligation for service rendered to date	$(47,355)	$(48,456)
Plan assets at fair market value	41,107	40,423
Projected benefit obligation in excess of plan assets	(6,248)	(8,033)
Unrecognized net loss	12,158	12,695
Unrecognized prior service cost	12	42
Unrecognized net asset being amortized over 7 years	(280)	(349)
Additional minimum pension liability	(6,816)	(8,686)
Pension liability	$ (1,174)	$ (4,331)

Under the requirements of Statement of Financial Accounting Standards No. 87, "Employers' Accounting for Pensions," an additional minimum pension liability for certain plans, representing the excess of accumulated benefits over plan assets, was recognized as of January 2, 1994. The increase in liabilities was charged directly to shareholders' equity. The minimum pension liability adjustment, net of income taxes, was $5.6 million on January 2, 1994. As of January 1, 1995, the minimum pension liability adjustment, net of income taxes, was $3.9 million.

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

In Thousands	Fiscal Year 1994	1993	1992
Service cost-benefits earned	$ 1,916	$ 1,693	$ 1,141
Interest cost on projected benefit obligation	3,556	3,310	2,658
Actual return on plan assets	1,169	(3,965)	(836)
Net amortization and deferral	(4,034)	1,446	(2,151)
Net periodic pension cost	$ 2,607	$ 2,484	$ 812

The actuarial assumptions that were used for the Company's principal pension plan calculations were as follows:

	1994	1993
Weighted average discount rate used in determining the actuarial present value of the projected benefit obligation	8.25 %	7.5%
Weighted average expected long-term rate of return on plan assets	9.0 %	9.0%
Weighted average rate of compensation increase	4.75 %	4.0%

The Company provides a 401(k) Savings Plan for substantially all of its nonunion employees. Under provisions of the Savings Plan, an employee is vested with respect to Company contributions upon the earlier of two consecutive years of service while participating in the Savings Plan or after five years of service with the Company. The total cost for this benefit in 1994, 1993 and 1992 was $1,307,000, $1,491,000 and $603,000, respectively.

During 1992, the Company adopted the provisions of Statement of Financial Accounting Standards No. 106, "Employers' Accounting for Postretirement Benefits Other than Pensions" ("SFAS 106"). Under SFAS 106, the Company recognizes the cost of postretirement benefits, which consist principally of medical benefits, during employees' periods of active service. Prior to 1992, the Company accounted for the cost of such benefits when the benefits were paid. The Company does not pre-fund these benefits and has the right to modify or terminate certain of these plans in the future. The accumulated postretirement benefit obligation as of December 30, 1991, which represented the portion of the expected cost of postretirement benefits attributable to employee service prior to that date, of $7.1 million (net of income tax benefits of $4.5 million) was charged to 1992 operations and appears in the consolidated statement of operations within the caption "effect of accounting changes."

The components of postretirement benefit expense were as follows:

In Thousands	Fiscal Year 1994	1993	1992
Service cost -- benefits earned	$ 304	$ 238	$ 231
Interest cost on projected benefit obligation	989	1,223	1,348
Net postretirement benefit cost	$1,293	$1,461	$1,579

The accrued postretirement benefit obligation was comprised of the following components:

In Thousands	Jan. 1, 1995	Jan. 2, 1994
Accumulated postretirement benefit obligation:		
Retirees	$ 9,163	$ 9,442
Fully eligible active plan participants	1,738	1,633
Other active plan participants	3,251	2,783
	14,152	13,858
Unrecognized transition asset	418	443
Unrecognized net loss	(1,622)	(1,942)
Accrued postretirement benefit obligation	$12,948	$12,359

Future postretirement benefit costs were estimated assuming the rate of medical cost increases would decline over a four-year period from a 10% increase beginning January 1, 1994 to 7% beginning January 1, 1997, and then decline to a 6.25% annual increase thereafter. A 1% increase in this annual trend rate would have increased the accumulated postretirement benefit obligation on January 1, 1995 by approximately $1.6 million and postretirement benefit expense in 1994 would have increased by approximately $200,000. The weighted average discount rate used to estimate the accumulated postretirement benefit obligation was 8.25% and 7.5% as of January 1, 1995 and January 2, 1994, respectively.

In November 1992, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 112, "Employers' Accounting for Postemployment Benefits" ("SFAS 112"). SFAS 112 requires the accrual, during the years that employees render service, of the expected cost of providing postemployment benefits if certain criteria are met. The Company adopted the provisions of SFAS 112 in the first quarter of 1994, effective January 3, 1994, and recorded a one-time, after-tax charge of $2.2 million.

13. 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 concentrates or syrups) of its soft drink products are manufactured. Accordingly, the Company purchases a substantial majority of its requirements of concentrates and syrups from The Coca-Cola Company in the ordinary course of its business. The Company paid The Coca-Cola Company approximately $187 million, $158 million and $140 million in 1994, 1993 and 1992, respectively, for sweetener, syrup, concentrate and other miscellaneous purchases. Additionally, the Company engages in a variety of marketing programs, local media advertising and similar arrangements to promote the sale of products of The Coca-Cola Company in territories operated by the Company. Total direct marketing support provided to the Company by The Coca-Cola Company was approximately $32 million, $28 million and $32 million in 1994, 1993 and 1992, respectively. In addition, the Company paid approximately $15 million, $13 million and $14 million in 1994, 1993 and 1992, respectively, for local media and marketing program expense pursuant to cooperative advertising and cooperative marketing arrangements with The Coca-Cola Company.

On July 2, 1993, the Company and The Coca-Cola Company formed Piedmont. The Company and The Coca-Cola Company, through their respective subsidiaries, each beneficially own a 50% interest in Piedmont. The Company provides a majority of the soft drink products for Piedmont and receives a fee for managing the operations of Piedmont pursuant to a management agreement. The Company sold product to Piedmont during 1994 and the six months ended January 2, 1994, at cost, totaling $75.9 million and $38.9 million, respectively. The Company earned $10.1 million and $4.8 million pursuant to its management agreement with Piedmont for 1994 and 1993, respectively. Also, the Company subleased various fleet and vending equipment to Piedmont at cost. These sublease rentals amounted to approximately $693,000 and $380,000 in 1994 and 1993, respectively. In addition, Piedmont subleased various fleet and vending equipment to the Company at cost. These sublease rentals amounted to approximately $56,000 and $2,000 in 1994 and 1993, respectively.

On December 20, 1991, the Company acquired all of the outstanding capital stock of Sunbelt for approximately $15.2 million. Approximately $4.4 million of the purchase price was paid in cash to The Coca-Cola Company and one of its affiliates (former shareholders of Sunbelt).

In connection with the acquisition of Sunbelt, the Company entered into an agreement providing for a $230 million bridge facility with CCFC. On December 20, 1991, the Company borrowed $152.5 million under this agreement to repay certain indebtedness of Sunbelt. The Company also issued $50 million of Series B Nonconvertible Preferred Stock to CCFC. During the first quarter of 1992, the Company refinanced the $230 million bridge facility from CCFC. Interest paid to CCFC in 1992 under the bridge facility agreement amounted to $1.6 million. On October 30, 1992, the Company redeemed the $50 million of Series B Nonconvertible Preferred Stock held by CCFC with funds obtained from a $50 million three-year bank term loan. Dividends paid to CCFC in 1992 on these preferred shares totaled $3.5 million.

On November 30, 1992, the Company and the owner of the Company's Snyder Production Center in Charlotte, North Carolina agreed to the early termination of the Company's lease. Harrison Limited Partnership One purchased the property contemporaneously with the termination of the lease, and the Company and Harrison Limited Partnership One entered into an

agreement pursuant to which the Company leased the property for a 10-year term beginning on December 1, 1992. A North Carolina corporation owned entirely by J. Frank Harrison, Jr. serves as sole general partner of the limited partnership. The sole limited partner of this limited partnership is a trust as to which J. Frank Harrison, III and Reid M. Henson are co-trustees. The annual base rent the Company is obligated to pay for its lease of the Snyder Production Center is approximately $1.9 million. The base rent is subject to adjustment for increases in the Consumer Price Index and for increases or decreases in interest rates, using LIBOR as the measurement device. Rent expense under this lease totaled $2,007,000, $1,947,000 and $162,000 in 1994, 1993 and 1992, respectively.

On June 1, 1993, the Company entered into a 10-year 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. The annual base rent the Company is obligated to pay under this lease is approximately $1.2 million. The base rent is subject to adjustment for increases in the Consumer Price Index and for increases or decreases in interest rates, using LIBOR as the measurement device. Rent expense under this lease totaled $1,560,000 and $738,000 in 1994 and 1993, respectively.

The Company is a shareholder in two entities from which it purchases substantially all its requirements for plastic bottles. Net purchases from these entities were approximately $44 million, $47 million and $46 million in 1994, 1993 and 1992, respectively. In connection with its participation in one of these cooperatives, the Company has guaranteed a portion of the cooperative's debt. On January 1, 1995, such guarantee amounted to approximately $20.0 million.

The Company has also guaranteed a portion of debt for South Atlantic Canners, Inc., a manufacturing cooperative that is being managed by the Company. On January 1, 1995, such guarantee was approximately $11.0 million.

See Note 11 to the consolidated financial statements for information concerning the Whirl-i-Bird transaction.

14. Litigation

On March 4, 1993, a Complaint was filed against the Company, the predecessor bottling company for the Laurel, Mississippi territory and other unnamed parties by the testatrix spouse of a deceased former employee of the predecessor bottler. This suit alleges misrepresentation and fraud in connection with the severance package offered to employees terminated by the predecessor bottler in connection with the acquisition of the Laurel franchise subsidiary of the Company. Plaintiff seeks damages in an amount up to $18 million in compensatory and punitive damages. The Company believes that the Complaint is without merit and its ultimate disposition will not have a material adverse effect on the financial condition or results of operations of the Company.

15. Supplemental Disclosures of Cash Flow Information

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

	Fiscal Year		
In Thousands	1994	1993	1992
Accounts receivable, trade, net	$(2,796)	$(9,319)	$ 7,762
Due from Piedmont	1,071	(2,454)	
Accounts receivable, other	5,710	(3,524)	(3,034)
Inventories	(4,338)	(2,939)	5,841
Prepaid expenses and other assets	(1,729)	(845)	4,257
Portion of long-term debt payable within one year	(411)	(793)	(3,699)
Accounts payable and accrued liabilities	(7,970)	21,872	(6,933)
Accrued compensation	2,040	(251)	(3,291)
Accrued interest payable	1,167	(934)	3,881
Decrease (increase)	$(7,256)	$ 813	$ 4,784

Cash payments for interest and income taxes were as follows:

In Thousands	Fiscal Year 1994	1993	1992
Interest	$30,218	$31,417	$31,917
Income taxes (refunds)	56	2,900	(25)

16. Quarterly Financial Data (Unaudited)

Set forth below are unaudited quarterly financial data for the fiscal years ended January 1, 1995 and January 2, 1994.

In Thousands (Except Per Share Data) Year Ended January 1, 1995	Quarter 1	2	3	4
Net sales	$163,817	$200,692	$188,418	$170,969
Gross margin	66,333	81,751	75,864	72,808
Income before effect of accounting change	1,510	6,700	4,899	1,038
Effect of accounting change	(2,211)			
Net income (loss)	(701)	6,700	4,899	1,038
Per share:				
Income before effect of accounting change	.16	.72	.53	.11
Effect of accounting change	(.24)			
Net income (loss)	(.08)	.72	.53	.11
Weighted average number of common shares outstanding	9,294	9,294	9,294	9,294

In Thousands (Except Per Share Data) Year Ended January 2, 1994	Quarter 1	2	3	4
Net sales	$154,267	$194,506	$182,149	$156,038
Gross margin	69,842	85,635	73,391	62,015
Income before income taxes	2,568	10,647	8,507	2,293
Net income	1,349	6,035	5,716	1,733
Per share:				
Net income	.15	.65	.62	.18
Weighted average number of common shares outstanding	9,181	9,261	9,294	9,294

REPORT OF INDEPENDENT ACCOUNTANTS

TO THE BOARD OF DIRECTORS AND SHAREHOLDERS
OF COCA-COLA BOTTLING CO. CONSOLIDATED

In our opinion, the consolidated financial statements listed in the index appearing under Item 14(a) (1) and (2) of this filing present fairly, in all material respects, the financial position of Coca-Cola Bottling Co. Consolidated and its subsidiaries at January 1, 1995 and January 2, 1994, and the results of their operations and their cash flows for each of the three years in the period ended January 1, 1995, in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards 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 the opinion expressed above.

During 1992 the Company changed its method of accounting for income taxes and for postretirement benefits other than pensions, as described in Notes 9 and 12. During 1994, the Company changed its method of accounting for postemployment benefits, as described in Note 12.

PRICE WATERHOUSE LLP
Charlotte, North Carolina
February 24, 1995

The financial statement schedules required by Regulation S-X are set forth in response to Item 14 below.

The supplementary data required by Item 302 of Regulation S-K is set forth in Note 16 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" at the end of Part I of this Report. For information with respect to the Directors of the Company, see the "Election of Directors" and "Certain Transactions" sections of the Proxy Statement for the 1995 Annual Meeting of Shareholders to be filed with the Securities and Exchange Commission, which is incorporated herein by reference. For information with respect to Section 16 reports for directors and executive officers of the Company, see the "Election of Directors -- Beneficial Ownership of Management" section of the Proxy Statement for the 1995 Annual Meeting of Shareholders.

Item 11 -- Executive Compensation

For information with respect to executive compensation, see the "Executive Compensation" section of the Proxy Statement for the 1995 Annual Meeting of Shareholders to be filed with the Securities and Exchange Commission, which is incorporated herein by reference (other than the subsections entitled "Report of the Compensation Committee on Annual Compensation of Executive Officers" and "Common Stock Performance," which are specifically excluded from such incorporation).

Item 12 -- Security Ownership of Certain Beneficial Owners and Management

For information with respect to security ownership of certain beneficial owners and management, see the "Principal Shareholders" and "Election of Directors -- Beneficial Ownership of Management" sections of the Proxy Statement for the 1995 Annual Meeting of Shareholders to be filed with the Securities and Exchange Commission, which is 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" and "Compensation Committee Interlocks and Insider Participation" sections of the Proxy Statement for the 1995 Annual Meeting of Shareholders to be filed with the Securities and Exchange Commission, which are incorporated herein by reference.

PART IV

Item 14 -- Exhibits, Financial Statement Schedules and Reports on Form 8-K

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

1. Financial Statements

Report of Independent Accountants

Consolidated Balance Sheets

Consolidated Statements of Operations

Consolidated Statements of Cash Flows

Consolidated Statements of Changes in Shareholders' Equity

Notes to Consolidated Financial Statements

2. Financial Statement Schedules

The following financial statement schedules are filed as part of this report following this Item 14. The Report of Independent Accountants with respect to the financial statement schedules is included in Item 8 above.

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:

(i) Exhibits Incorporated by Reference:

(3.1)	Bylaws of the Company, as amended.
(3.2)	Restated Certificate of Incorporation of the Company.
(4.1)	Specimen of Common Stock Certificate.
(4.2)	Credit Agreement dated as of March 17, 1992 among the Company and NationsBank of North Carolina, as Agent, and other banks named therein.
(4.3)	Amendment No. 1 to Amended and Restated Revolving Credit and Reimbursement Agreement, dated as of March 27, 1992 between the Company and NationsBank of North Carolina.
(4.4)	Specimen Fixed Rate Note under the Company's Medium-Term Note Program, pursuant to which it may issue, from time to time, up to $200 million aggregate principal amount of its Medium-Term Notes, Series A.
(4.5)	Specimen Floating Rate Note under the Company's Medium-Term Note Program, pursuant to which it may issue, from time to time, up to $200 million aggregate principal amount of its Medium-Term Notes, Series A.
(4.6)	Indenture dated as of October 15, 1989 between the Company and Manufacturers Hanover Trust Company of California, as Trustee, in connection with the Company's $200 million shelf registration of its Medium-Term Notes, Series A, due from nine months to 30 years from date of issue.
(4.7)	Selling Agency Agreement, dated as of February 14, 1990, between the Company and Salomon Brothers and Goldman Sachs, as Agents, in connection with the Company's $200 million Medium-Term Notes, Series A, due from nine months to 30 years from date of issue.
(4.8)	Commercial Paper Agreement, dated as of December 13, 1989, between the Company and Goldman Sachs Money Markets, Inc., as co-agent.
(4.9)	Form of Debenture issued by the Company to two shareholders of Sunbelt Coca-Cola Bottling Company, Inc. dated as of December 19, 1991.
(4.10)	Commercial Paper Dealer Agreement, dated as of February 11, 1993, between the Company and Citicorp Securities Markets, Inc., as co-agent.
(4.11)	Form of Indenture, dated as of July 20, 1994, between the Company and NationsBank of Georgia, N.A., as Trustee.
(4.12)	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 subsidiaries for which consolidated financial statements are required to be filed, and 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)	Employment Agreement of James L. Moore, Jr. dated as of March 16, 1987.
(10.2)	Stock Rights and Restrictions Agreement by and between Coca-Cola Bottling Co. Consolidated and The Coca-Cola Company dated January 27, 1989.
(10.3)	Description and examples of bottling franchise agreements between the Company and The Coca-Cola Company.
(10.4)	Lease, dated as of December 11, 1974, by and between the Company and the Ragland Corporation, related to the production/distribution facility in Nashville, Tennessee.
(10.5)	Amendment to Lease Agreement designated as Exhibit 10.4.
(10.6)	Second Amendment to Lease Agreement designated as Exhibit 10.4.
(10.7)	Supplemental Savings Incentive Plan, dated as of April 1, 1990 between certain Eligible Employees of the Company and the Company.
(10.8)	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.
(10.9)	Consolidated/Sunbelt Acquisition Agreement, dated as of December 19, 1991, by and among the Company and the shareholders of Sunbelt Coca-Cola Bottling Company, Inc.
(10.10)	Officer Retention Plan, dated as of January 1, 1991, between certain Eligible Officers of the Company and the Company.
(10.11)	Acquisition Agreement, by and among Sunbelt Coca-Cola Bottling Company, Inc., Sunbelt Carolina Acquisition Company, Inc., certain of the common stockholders of Coca-Cola Bottling Co. Affiliated, Inc., and the stockholders of TRNH, Inc., dated as of November 7, 1989.
(10.12)	Amendment Number One to the Sunbelt/Affiliated Acquisition Agreement, dated as of December 29, 1989, between Sunbelt Coca-Cola Bottling Company, Inc., Sunbelt Carolina Acquisition Company, Inc., certain of the common stockholders of Coca-Cola Bottling Co. Affiliated, Inc. and the stockholders of TRNH, Inc.
(10.13)	Amendment Number Two to the Sunbelt/Affiliated Acquisition Agreement, dated as of December 29, 1989, between Sunbelt Coca-Cola Bottling Company, Inc., Sunbelt Carolina Acquisition Company, Inc., certain of the common stockholders of Coca-Cola Bottling Co. Affiliated, Inc. and the stockholders of TRNH, Inc.

(10.14) Amendment Number Three to the Sunbelt/Affiliated Acquisition Agreement, dated as of December 29, 1989, between Sunbelt Coca-Cola Bottling Company, Inc., Sunbelt Carolina Acquisition Company, Inc., certain of the common stockholders of Coca-Cola Bottling Co. Affiliated, Inc. and the stockholders of TRNH, Inc.

(10.15) Lease Agreement, dated as of November 30, 1992, between the Company and Harrison Limited Partnership One, related to the Snyder Production Center in Charlotte, North Carolina.

(10.16) Termination and Release Agreement dated as of March 27, 1992 by and among Sunbelt Coca-Cola Bottling Company, Coca-Cola Bottling Co. Affiliated, Inc., the agent for holders of certain debentures of Sunbelt issued pursuant to a certain Indenture dated as of January 11, 1990, as amended, and Wilmington Trust Company which acted as trustee under the Indenture.

(10.17) Reorganization Plan and Agreement by and among Coca-Cola Bottling Co. Consolidated, Chopper Acquisitions, Inc., Whirl-i-Bird, Inc. and J. Frank Harrison, Jr.

(10.18) 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.

(10.19) Asset Purchase Agreement, dated as of July 2, 1993, by and among Carolina Coca-Cola Bottling Partnership, Coca-Cola Bottling Co. Affiliated, Inc. and Coca-Cola Bottling Co. Consolidated.

(10.20) Asset Purchase Agreement, dated as of July 2, 1993, by and among Carolina Coca-Cola Bottling Partnership, Fayetteville Coca-Cola Bottling Company and Coca-Cola Bottling Co. Consolidated.

(10.21) Asset Purchase Agreement, dated as of July 2, 1993, by and among Carolina Coca-Cola Bottling Partnership, Palmetto Bottling Company and Coca-Cola Bottling Co. Consolidated.

(10.22) Definition and Adjustment Agreement, dated July 2, 1993, by and among Carolina Coca-Cola Bottling Partnership, Coca-Cola Ventures, Inc., Coca-Cola Bottling Co. Consolidated, CCBC of Wilmington, Inc., Carolina Coca-Cola Bottling Investments, Inc., The Coca-Cola Company, Carolina Coca-Cola Holding Company, The Coastal Coca-Cola Bottling Company, Eastern Carolina Coca-Cola Bottling Company, Inc., Coca-Cola Bottling Co. Affiliated, Inc., Fayetteville Coca-Cola Bottling Company and Palmetto Bottling Company.

(10.23) 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.

(10.24) Post-Retirement Medical and Life Insurance Benefit Reimbursement Agreement, dated July 2, 1993, by and between Carolina Coca-Cola Bottling Partnership and Coca-Cola Bottling Co. Consolidated.

(10.25) Aiken Asset Purchase Agreement, dated as of August 6, 1993 by and among Carolina Coca-Cola Bottling Partnership, Palmetto Bottling Company and Coca-Cola Bottling Co. Consolidated.

(10.26) Aiken Definition and Adjustment Agreement, dated as of August 6, 1993, by and among Carolina Coca-Cola Bottling Partnership, Coca-Cola Ventures, Inc., Coca-Cola Bottling Co. Consolidated, Carolina Coca-Cola Bottling Investments, Inc., The Coca-Cola Company and Palmetto Bottling Company.

(10.27) Lease Agreement, dated as of June 1, 1993, between the Company and Beacon Investment Corporation, related to the Company's corporate headquarters in Charlotte, North Carolina.

(10.28) Amended and Restated Guaranty Agreement, dated as of July 15, 1993 re: Southeastern Container, Inc.

(10.29) Agreement, dated as of December 23, 1993, between the Company and Western Container Corporation covering purchase of PET bottles.

(10.30) Management Agreement, dated as of June 1, 1994, by and among Coca-Cola Bottling Co. Consolidated and South Atlantic Canners, Inc.

(10.31) Guaranty Agreement, dated as of July 22, 1994, between Coca-Cola Bottling Co. Consolidated and Wachovia Bank of North Carolina, N.A.

(10.32) Master Lease Agreement, beginning on May 31, 1988, with Schedules 1 through 3, between the Company and General Electric Capital Corporation covering various vehicles.

(10.33) Lease Agreement, dated as of July 17, 1988, between the Company and GE Capital Fleet Services covering various vehicles.

(10.34) Master Motor Vehicle Lease Agreement, dated as of December 15, 1988, with Schedule 4 between the Company and Citicorp North America, Inc. covering various vehicles.

(10.35) Master Lease Agreement, beginning on April 12, 1989, with Schedule 1, between the Company and Citicorp North America, Inc. covering various equipment.

(10.36) Schedules 2 through 6 of a Master Lease Agreement, beginning on April 12, 1989, between the Company and Citicorp North America, Inc. covering various forklifts and vending machines.

(10.37) Schedule 7 of a Master Lease Agreement, beginning on April 12, 1989, between the Company and Citicorp North America, Inc. covering various vending machines.

(10.38) Schedules 8 and 9 of a Master Lease Agreement, beginning on April 12, 1989, between the Company and Citicorp North America, Inc. covering various vending machines.

(10.39) Schedule 14 of a Master Motor Vehicle Lease Agreement, beginning on November 14, 1988, between the Company and Citicorp North America, Inc. covering various vehicles.

(10.40) Master Lease Agreement, dated as of January 7, 1992 between the Company and Signet Leasing and Financial Corporation, and Schedules 1 through 4, covering various vehicles.

(10.41) Schedule No. 1, dated as of March 16, 1992, of a Master Lease Agreement between the Company and Citicorp North America, Inc. covering various vending machines.

(10.42) Schedule No. 2, dated as of April 27, 1992, of a Master Lease Agreement between the Company and Citicorp North America, Inc. covering various vending machines.

(10.43) Schedule No. 3, dated as of June 8, 1992, of a Master Lease Agreement between the Company and Citicorp North America, Inc. covering various vending machines.

(10.44) Schedule No. 4, dated as of July 13, 1992, of a Master Lease Agreement between the Company and Citicorp North America, Inc. covering various vending machines.

(10.45) Amended Schedules No. 1, 2 and 4 of a Master Lease Agreement, dated as of January 7, 1992 between the Company and Signet Leasing and Financial Corporation, covering various vehicles.

(10.46) Schedules No. 1A, 5, 6, 7 and 8 of a Master Lease Agreement, dated as of January 7, 1992 between the Company and Signet Leasing and Financial Corporation, covering various vehicles and forklifts.

(10.47) Master Equipment Lease, dated as of February 9, 1993, between the Company and Coca-Cola Financial Corporation covering various vending machines.

(10.48) Motor Vehicle Lease Agreement No. 790855, dated as of December 31, 1992, between the Company and Citicorp Leasing, Inc. covering various vehicles.

(10.49) Schedules 1 through 5 of the Motor Vehicle Lease Agreement No. 790855, beginning on December 31, 1992, between the Company and Citicorp Leasing, Inc. covering various vehicles.

(10.50) Amended and Restated Leasing Schedules No. 1, 3, 5, 6, 8, 9, 11, 12 and 13 of a Master Motor Vehicle Lease Agreement, dated as of November 14, 1988, between the Company and Citicorp North America, Inc. covering various vehicles.

(10.51) Schedule 10 of a Master Lease Agreement, dated as of January 7, 1992 between the Company and Signet Leasing and Financial Corporation covering various forklifts.

(10.52) Schedule No. 5, dated as of August 10, 1992, of a Master Lease Agreement between the Company and Citicorp Leasing, Inc. covering various vending machines.

(10.53) Schedule No. 6, dated as of September 17, 1992, of a Master Lease Agreement between the Company and Citicorp Leasing, Inc. covering various vending machines.

(10.54) Schedule No. 7, dated as of December 7, 1992, of a Master Lease Agreement between the Company and Citicorp Leasing, Inc. covering various vending machines.

(10.55) Schedule No. 8, dated as of January 4, 1993, of a Master Lease Agreement between the Company and Citicorp Leasing, Inc. covering various vending machines.

(10.56) Schedule No. 9, dated as of March 4, 1993, of a Master Lease Agreement between the Company and Citicorp Leasing, Inc. covering various vending machines.

(10.57) Lease Funding No. 1, dated April 30, 1993, of a Master Equipment Lease between the Company and Coca-Cola Financial Corporation covering various vending machines.

(10.58) Amended and Restated Schedule No. 7, dated April 27, 1993, of Motor Vehicle Lease Agreement No. 743918 between the Company and Citicorp North America, Inc. covering various vehicles.

(10.59) Lease Funding No. 2, dated as of June 1, 1993, of a Master Equipment Lease between the Company and Coca-Cola Financial Corporation covering various vending machines.

(10.60) Lease Funding No. 3, dated as of July 12, 1993, of a Master Equipment Lease between the Company and Coca-Cola Financial Corporation covering various vending machines.

(10.61) Schedule No. 12 of a Master Lease Agreement, dated as of April 1, 1993, between the Company and Signet Leasing and Financial Corporation covering various vehicles.

(10.62) Schedule No. 13 of a Master Lease Agreement, dated as of April 1, 1993, between the Company and Signet Leasing and Financial Corporation covering various vehicles.

(10.63) Lease Funding No. 4, dated as of August 24, 1993, of a Master Equipment Lease between the Company and Coca-Cola Financial Corporation covering various vending machines.

(10.64) Lease Funding No. 5, dated as of September 30, 1993, of a Master Equipment Lease between the Company and Coca-Cola Financial Corporation covering various vending machines.

(10.65) Schedule No. 11 of a Master Lease Agreement, dated as of July 1, 1993, between the Company and Signet Leasing and Financial Corporation covering various vehicles.

(10.66) Schedule No. 14 of a Master Lease Agreement, dated as of July 1, 1993, between the Company and Signet Leasing and Financial Corporation covering various vehicles.

(10.67) Schedule No. 15 of a Master Lease Agreement, dated as of July 1, 1993, between the Company and Signet Leasing and Financial Corporation covering various vehicles.

(10.68) Lease Funding No. 6, dated as of November 1, 1993, of a Master Equipment Lease between the Company and Coca-Cola Financial Corporation covering various vending machines.

(10.69) Lease Funding No. 7, dated as of November 17, 1993, of a Master Equipment Lease between the Company and Coca-Cola Financial Corporation covering various vending machines.

(10.70) Lease Funding No. 8, dated as of December 30, 1993, of a Master Equipment Lease between the Company and Coca-Cola Financial Corporation covering various vending machines.
(10.71) Master Lease Agreement, dated as of February 18, 1992, between the Company and Citicorp Leasing, Inc. covering various equipment.
(10.72) Lease Funding No. 94001, dated as of March 11, 1994, of a Master Equipment Lease between the Company and Coca-Cola Financial Corporation covering various vending machines.
(10.73) Lease Funding No. 94002, dated as of April 25, 1994, of a Master Equipment Lease between the Company and Coca-Cola Financial Corporation covering various vending machines.
(10.74) Lease Funding No. 94003, dated as of May 12, 1994, of a Master Equipment Lease between the Company and Coca-Cola Financial Corporation covering various vending machines.
(10.75) Lease Funding No. 94004, dated as of June 3, 1994, of a Master Equipment Lease between the Company and Coca-Cola Financial Corporation covering various vending machines.
(10.76) Lease Funding No. 94005, dated as of June 22, 1994, of a Master Equipment Lease between the Company and Coca-Cola Financial Corporation covering various vending machines.
(10.77) Lease Funding No. 94006, dated as of July 8, 1994, of a Master Equipment Lease between the Company and Coca-Cola Financial Corporation covering various vending machines.
(10.78) Lease Funding No. 94007, dated as of August 12, 1994, of a Master Equipment Lease between the Company and Coca-Cola Financial Corporation covering various vending machines.
(10.79) Lease Funding No. 94008, dated as of September 7, 1994, of a Master Equipment Lease between the Company and Coca-Cola Financial Corporation covering various vending machines.
(10.80) Lease Funding No. 94009, dated as of October 10, 1994, of a Master Equipment Lease between the Company and Coca-Cola Financial Corporation covering various vending machines.
(10.81) Lease Funding No. 94010, dated as of October 26, 1994, of a Master Equipment Lease between the Company and Coca-Cola Financial Corporation covering various vending machines.

(ii) Other Exhibits:

(4.13) Amended and restated agreement, dated as of November 14, 1994, between the Company and Goldman Sachs Money Markets, L.P.
(4.14) Issuing and Paying Agency Agreement, dated as of September 30, 1994, between the Company and BankAmerica National Trust Company as issuing and paying agent.
(10.82) Description of the Company's 1995 Bonus Plan for officers.
(10.83) Selling Agency Agreement, dated as of March 3, 1995, between the Company, Salomon Brothers Inc and Citicorp Securities, Inc.
(10.84) Amendment, dated as of May 18, 1994, to Employment Agreement designated as Exhibit 10.1.
(10.85) Agreement, dated as of March 1, 1994, between the Company and South Atlantic Canners, Inc.
(10.86) Stock Option Agreement, dated as of March 8, 1989, of J. Frank Harrison, Jr.
(10.87) Stock Option Agreement, dated as of August 9, 1989, of J. Frank Harrison, III.
(10.88) Lease Funding No. 94011, dated as of November 30, 1994, of a Master Equipment Lease between the Company and Coca-Cola Financial Corporation covering various vending machines.
(10.89) Lease Funding No. 94012, dated as of December 19, 1994, of a Master Equipment Lease between the Company and Coca-Cola Financial Corporation covering various vending machines.
(10.90) Lease Funding No. 94013, dated as of January 17, 1995, of a Master Equipment Lease between the Company and Coca-Cola Financial Corporation covering various vending machines.
(10.91) Lease Funding No. 95001, dated as of February 8, 1995, of a Master Equipment Lease between the Company and Coca-Cola Financial Corporation covering various vending machines.
(10.92) Supplemental Indenture, dated as of March 3, 1995, between the Company and NationsBank of Georgia, National Association, as Trustee.
(21.1) List of subsidiaries.
(23.1) Accountants Consent to Incorporation by Reference into Form S-3 (Registration No. 33-4325) and Form S-3 (Registration No. 33-54657).
(27.1) Financial data schedule for period ended January 1, 1995.
(99.1) Information, financial statements and exhibits required by Form 11-K with respect to the Coca-Cola Bottling Co. Consolidated Savings Plan.*

* To be supplied by amendment.

B. Reports on Form 8-K.
There were no Current Reports on Form 8-K filed by the Company during the fourth quarter of 1994.

D. Audited Financial Statements of Piedmont Coca-Cola Bottling Partnership.

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	Other (1)	Deductions	Balance at End of Year
Allowance for doubtful accounts:					
Fiscal year ended January 1, 1995.....	$ 425	$ 600		$ 625	$ 400
Fiscal year ended January 2, 1994.....	$ 400	$ 443	$ (20)	$ 398	$ 425
Fiscal year ended January 3, 1993.....	$ 1,104	$ 118		$ 822	$ 400
Deferred tax assets valuation allowance:					
Fiscal year ended January 2, 1994.....	$ 29,934		$ (26,718)	$3,216	$ 0
Fiscal year ended January 3, 1993.....		$ 29,934			$29,934

(1) Arising from business combinations and divestitures.

REPORT OF INDEPENDENT ACCOUNTANTS

TO THE PARTNERS OF PIEDMONT
COCA-COLA BOTTLING PARTNERSHIP

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of operations, of cash flows and of partners' equity present fairly, in all material respects, the financial position of Piedmont Coca-Cola Bottling Partnership and its subsidiary at January 1, 1995 and January 2, 1994, and the results of their operations and their cash flows for the year ended January 1, 1995 and for the period July 2, 1993 through January 2, 1994, in conformity with generally accepted accounting principles. These financial statements are the responsibility of management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards 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 the opinion expressed above.

PRICE WATERHOUSE LLP
Charlotte, North Carolina
February 24, 1995

PIEDMONT COCA-COLA BOTTLING PARTNERSHIP
CONSOLIDATED BALANCE SHEETS
In Thousands

	Jan. 1, 1995	Jan. 2, 1994
ASSETS		
Current assets:		
Cash	$ 424	$ 411
Accounts receivable, trade, less allowance for doubtful accounts of $104 and $200	12,579	11,651
Accounts receivable from The Coca-Cola Company	1,119	1,264
Accounts receivable, other	665	1,036
Inventories	3,929	3,468
Prepaid expenses and other current assets	191	164
Total current assets	18,907	17,994
Property, plant and equipment, less accumulated depreciation of $5,165 and $1,526	31,510	26,442
Other assets	3,138	1,521
Identifiable intangible assets, less accumulated amortization of $11,367 and $3,742	293,145	300,415
Excess of cost over fair value of net assets of businesses acquired, less accumulated amortization of $1,160 and $366	30,578	34,959
Total	$377,278	$381,331
LIABILITIES AND PARTNERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	$ 4,424	$ 6,076
Accounts payable to The Coca-Cola Company	112	665
Due to Coca-Cola Bottling Co. Consolidated	1,383	2,454
Accrued interest payable	1,116	672
Total current liabilities	7,035	9,867
Deferred income taxes	29,794	35,359
Other liabilities	9,991	9,305
Long-term debt	195,000	190,000
Total liabilities	241,820	244,531
Partners' equity:		
Partner's investment-The Coca-Cola Company	67,729	68,400
Partner's investment-Coca-Cola Bottling Co. Consolidated	67,729	68,400
Total partners' equity	135,458	136,800
Total	$377,278	$381,331

See Accompanying Notes to Consolidated Financial Statements.

PIEDMONT COCA-COLA BOTTLING PARTNERSHIP
CONSOLIDATED STATEMENTS OF OPERATIONS
In Thousands

	Fiscal Year 1994	For the Period July 2, 1993 through January 2, 1994
Net sales	$194,054	$91,259
Cost of products sold (includes purchases from Coca-Cola Bottling Co. Consolidated of $75,879 and $38,944)	109,563	52,535
Gross margin	84,491	38,724
Selling expenses	50,283	24,222
General and administrative expenses	15,152	7,629
Depreciation expense	3,932	1,556
Amortization of goodwill and intangibles	8,419	4,108
Income from operations	6,705	1,209
Interest expense	9,866	4,276
Other income, net	14	127
Loss before income taxes	(3,147)	(2,940)
Income tax expense (benefit)	(1,805)	260
Net loss	$ (1,342)	$(3,200)

See Accompanying Notes to Consolidated Financial Statements.

PIEDMONT COCA-COLA BOTTLING PARTNERSHIP
CONSOLIDATED STATEMENTS OF PARTNERS' EQUITY
In Thousands

	The Coca-Cola Company	Coca-Cola Bottling Co. Consolidated
Balance, July 2, 1993	$ 0	$ 0
Investment of partners	70,000	70,000
Net loss	(1,600)	(1,600)
Balance, January 2, 1994	68,400	68,400
Net loss	(671)	(671)
Balance, January 1, 1995	$67,729	$ 67,729

See Accompanying Notes to Consolidated Financial Statements.

PIEDMONT COCA-COLA BOTTLING PARTNERSHIP
CONSOLIDATED STATEMENTS OF CASH FLOWS
In Thousands

	Fiscal Year 1994	For the Period July 2, 1993 through January 2, 1994
Cash Flows from Operating Activities:		
Net loss	$(1,342)	$ (3,200)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation expense	3,932	1,556
Amortization of goodwill and intangibles	8,419	4,108
Deferred income taxes	(1,545)	(425)
Losses on sale of property, plant and equipment	19	
Amortization of debt costs	51	14
Increase in current assets less current liabilities	(4,165)	(33)
Increase in other noncurrent assets	(1,631)	(1,363)
Increase (decrease) in other noncurrent liabilities	(881)	1,437
Other	(344)	(69)
Total adjustments	3,855	5,225
Net cash provided by operating activities	2,513	2,025
Cash Flows from Financing Activities:		
Proceeds from the issuance of long-term debt	5,000	190,000
Other	1,530	(12)
Net cash provided by financing activities	6,530	189,988
Cash Flows from Investing Activities:		
Additions to property, plant and equipment	(9,371)	(4,566)
Proceeds from the sale of property, plant and equipment	696	1,208
Cash investment of partners		91,746
Acquisition of bottling territories, net of cash	(355)	(279,990)
Net cash used in investing activities	(9,030)	(191,602)
Net increase in cash	13	411
Cash at beginning of period	411	0
Cash at end of period	$ 424	$ 411

See Accompanying Notes to Consolidated Financial Statements.

PIEDMONT COCA-COLA BOTTLING PARTNERSHIP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Significant Accounting Policies

Piedmont Coca-Cola Bottling Partnership ("Piedmont") is engaged in the marketing and distribution of soft drinks, primarily products of The Coca-Cola Company.

The consolidated financial statements include the accounts of Piedmont and its wholly owned subsidiary. All significant intercompany accounts and transactions have been eliminated.

The fiscal periods presented are the 52-week year ended January 1, 1995 and the 26-week period from July 2, 1993 (date of inception) through January 2, 1994.

Piedmont's more 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.

Inventories

Inventories are stated at the lower of cost, primarily determined on the first-in, first-out basis, 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.

Income Taxes

Piedmont provides deferred income taxes for the tax effects of temporary differences between the financial reporting and income tax bases of the assets and liabilities of CCBC of Wilmington, Inc., a corporation wholly owned by Piedmont.

Benefit Plans

Piedmont leases all of its active employees from Coca-Cola Bottling Co. Consolidated ("Consolidated"). Benefit plans of Consolidated cover these employees. Piedmont assumed the postretirement benefit obligation on July 2, 1993 for certain retired employees of the bottling operations that were sold or contributed by Consolidated and The Coca-Cola Company. Piedmont adopted the provisions of Statement of Financial Accounting Standards No. 106, "Employers' Accounting for Postretirement Benefits Other than Pensions" upon its formation on July 2, 1993.

Intangible Assets and Excess of Cost Over Fair Value of Net Assets of Businesses Acquired

Identifiable intangible assets resulting from the acquisition of Coca-Cola bottling franchises and the excess of cost over fair value of net assets of businesses acquired are being amortized on a straight-line basis over 40 years.

Piedmont continually monitors conditions that may affect the carrying value of its intangible assets. When conditions indicate potential impairment of an intangible asset, Piedmont will undertake necessary market studies and reevaluate projected future cash flows associated with the intangible asset. When projected future cash flows, not discounted for the time value of money, are less than the carrying value of the intangible asset, the impaired asset is written down to its net realizable value.

Derivative Financial Instruments

Unamortized deferred gains or losses on interest rate swap terminations are amortized over the terms of the initial agreements as an adjustment to interest expense. Amounts receivable or payable under interest rate swap agreements are included in other assets or other liabilities.

Forward rate agreements have been used to fix the interest rate reset periods on a portion of debt that was floating. The differential to be paid or received under these agreements is accrued as interest rates change and is recognized as an adjustment to interest expense over the terms of the agreements. Amounts receivable or payable under forward rate agreements are included in other assets or other liabilities.

2. Formation of Piedmont Coca-Cola Bottling Partnership

On July 2, 1993, Consolidated and The Coca-Cola Company formed Piedmont to distribute and market soft drink products primarily in certain portions of North Carolina and South Carolina. Consolidated and The Coca-Cola Company, through their respective subsidiaries, each beneficially own a 50% interest in Piedmont. Consolidated provides a majority of the soft drink products for Piedmont and receives a fee for managing the operations of Piedmont pursuant to a management agreement.

Subsidiaries of Consolidated and The Coca-Cola Company each made an initial capital contribution to Piedmont of $70 million in the aggregate. The capital contribution made by Consolidated's subsidiaries was composed of approximately $21.7 million in cash and of bottling operations and certain assets used in connection with Consolidated's Wilson, North Carolina and Greenville and Beaufort, South Carolina territories. Consolidated sold other territories to Piedmont for an aggregate purchase price of approximately $118 million. The Coca-Cola Company sold territories to Piedmont for an aggregate purchase price of approximately $160.5 million. Assets acquired from and contributed by Consolidated and The Coca-Cola Company totaled $385.0 million and related liabilities aggregated $58.1 million. Assets were sold or contributed to Piedmont at their approximate carrying values. The acquisition of bottling territories was accounted for under the purchase method of accounting.

3. Inventories

Inventories are summarized as follows:

In Thousands	Jan. 1, 1995	Jan. 2, 1994
Finished products	$ 3,672	$ 3,271
Used bottles and cases	257	197
Total inventories	$ 3,929	$ 3,468

4. Property, Plant and Equipment

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

In Thousands	Jan. 1, 1995	Jan. 2, 1994	Estimated Useful Lives
Land	$ 2,423	$ 2,323	
Buildings	14,368	10,601	10-50 years
Machinery and equipment	127	154	5-20 years
Transportation equipment	6,155	5,571	4-10 years
Furniture and fixtures	1,105	804	7-10 years
Vending equipment	11,237	7,889	6-13 years
Leasehold and land improvements	1,098	490	5-20 years
Construction in progress	162	136	
Total property, plant and equipment, at cost	36,675	27,968	
Less: Accumulated depreciation	5,165	1,526	
Property, plant and equipment, net	$31,510	$26,442	

5. Long-Term Debt

Long-term debt is summarized as follows:

In Thousands	Maturity	Interest Rate	Fixed (F) or Variable (V) Rate	Interest Paid	Jan. 1, 1995
Revolving Credit	1999	6.23%	V	Varies	$195,000
Less: Portion of long-term debt payable within one year					0
Long-term debt					$195,000

In Thousands	Jan. 2, 1994
Revolving Credit	$190,000
Less: Portion of long-term debt payable within one year	0
Long-term debt	$190,000

On August 31, 1994, Piedmont extended its revolving credit agreement totaling $215 million to a new maturity date of August 31, 1999. A facility fee of approximately 1/6% per year on the banks' total commitment is payable annually. The agreement contains several covenants which establish minimum ratio requirements related to debt and cash flow. As of January 1, 1995, Piedmont was in compliance with the covenants covering its revolving credit agreement.

The $195 million in revolving credit loans as of January 1, 1995 is outstanding under Piedmont's $215 million revolving credit facility. It is Piedmont's intent to renew these borrowings as they mature. To the extent that these borrowings do not exceed the amount available under the $215 million revolving credit agreement, they are classified as noncurrent liabilities.

6. Derivative Financial Instruments

Piedmont uses interest rate hedging products to cost effectively modify risk from interest rate fluctuations in its underlying debt. Piedmont has historically altered its fixed/floating rate mix based upon anticipated operating cash flows relative to its debt level and Piedmont's ability to absorb increases in interest rates. These derivative financial instruments are not used for trading purposes.

Piedmont uses interest rate swaps to alter the interest rate characteristics of its underlying debt and thereby realign the fixed/floating rate mix of its debt. Where an interest rate swap has been previously used, Piedmont's choices to alter the interest rate characteristics of its underlying debt include modification of the underlying debt instrument, termination of the existing swap or purchase of an offsetting swap. Each of these alternatives is considered and the most cost effective option is selected. Offsetting swaps rather than an original swap are sometimes used to help mitigate counterparty credit risk. If an offsetting swap is entered into with the same counterparty, a netting of payments occurs which reduces counterparty credit exposure as well as administrative burden. The offsetting swaps along with original swaps and the underlying debt are accounted for as a combined instrument. All of Piedmont's interest rate swap agreements are LIBOR-based.

Derivative financial instruments are summarized as follows:

	Jan. 1, 1995		Jan. 2, 1994	
In Thousands	Amount	Remaining Term	Amount	Remaining Term
Interest rate swaps-fixed	$95,000	1-2 years	$125,000	3-5 years
Forward rate agreements			25,000	1 year

Collateral and Credit Risk

In accordance with standard market practice, no collateral has been given or received by Piedmont in connection with the derivative financial instruments described above. Piedmont does not anticipate nonperformance by the other parties. Piedmont is exposed to credit loss in the event of nonperformance by the other parties to the various derivative financial instruments as disclosed above. The amount of such exposure is generally the net unrealized gain or loss by counterparty in such contracts. The financial instruments outstanding on January 1, 1995 as disclosed above were with two commercial banks.

Interest Rate Swap Activity

The table below summarizes interest rate swap activity for the period ending January 1, 1995.

In Thousands	
Total swaps, January 2, 1994	$125,000
New swaps	45,000
Terminated swaps	(75,000)
Expired swaps	
Total swaps, January 1, 1995	$ 95,000

Deferred gains on terminated interest rate swap contracts were $1.8 million on January 1, 1995.

Piedmont entered into a series of hedging transactions that resulted in a weighted average interest rate of 5.7% for its outstanding long-term debt as of January 1, 1995. Piedmont's overall weighted average borrowing rate on its long-term debt increased from an average of 4.9% during 1993 to an average of 5.3% during 1994.

As of January 1, 1995, after taking into account all of the interest rate hedging activities, approximately 51% of the total debt portfolio was subject to changes in short-term interest rates.

A rate increase of 1% would increase annual interest expense by approximately $1 million for the year ended January 1, 1995. Interest coverage as of January 1, 1995 would have been 1.8 times (versus 1.9 times) if interest rates increased by 1%.

The following methods and assumptions were used in estimating the fair values of Piedmont's financial instruments:

Non-Public Variable Rate Long-Term Debt

The carrying amounts of Piedmont's variable rate borrowings approximate their fair values.

Derivative Financial Instruments

Fair values for Piedmont's interest rate swaps and forward rate agreements are based on current settlement values.

The carrying amounts and fair values of Piedmont's balance sheet and off-balance-sheet instruments were as follows:

	Jan. 1, 1995		Jan. 2, 1994	
In Thousands	Carrying Amount	Fair Value	Carrying Amount	Fair Amount
Balance Sheet Instruments				
Non-public variable rate long-term debt	$195,000	$195,000	$190,000	$190,000
Off-Balance-Sheet Instruments				
Interest rate swaps		4,959		151
Forward rate agreements				(21)

The fair values of the interest rate swaps represent the estimated amounts Piedmont would have received upon termination of these agreements. The fair values of the forward rate agreements represent the estimated amount Piedmont would have had to pay to terminate the agreements on the date indicated.

7. Commitments

On July 2, 1993, Piedmont entered into certain sublease agreements with Consolidated for various fleet and vending equipment, at Consolidated's cost. Rent expense incurred for the year ended January 1, 1995 and the six months ended January 2, 1994 under these sublease agreements totaled $693,000 and $380,000, respectively. Also, Consolidated subleased various fleet and vending equipment from Piedmont during 1994 and 1993, at Piedmont's cost. These sublease rentals amounted to approximately $56,000 and $2,000, respectively.

Operating lease payments are charged to expense as incurred. Total rental expense included in the statements of operations for the year ended January 1, 1995 and the six months ended January 2, 1994 amounted to $3,365,000 and $730,000, respectively.

The following is a summary of future minimum lease payments for all operating leases as of January 1, 1995:

In Thousands	
1995	$ 3,068
1996	2,952
1997	2,782
1998	2,739
1999	2,477
Thereafter	6,527
Total minimum lease payments	$20,545

8. Income Taxes

Piedmont owns all of the outstanding stock of CCBC of Wilmington, Inc. ("Wilmington"), a corporation under U.S. tax law. Partnerships are generally not taxable entities under federal and state law; accordingly, Piedmont has not provided for federal or state income taxes except for income taxes provided on the results of operations of Wilmington.

All income tax expense recorded in the accompanying consolidated statements of operations and the deferred income tax liability reflected in the accompanying consolidated balance sheets relate to the operations of Wilmington. The tax provision for Wilmington was calculated under the requirements of Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes."

The pretax loss for Wilmington for the year ended January 1, 1995 was approximately $3.5 million. Wilmington had pretax income of approximately $160,000 for the period July 2, 1993 (date of inception) through January 2, 1994.

Wilmington's provision for income tax expense (benefit) consisted of the following:

In Thousands	Fiscal Year 1994	For the Period July 2, 1993 through January 2, 1994
Current:		
Federal	$ (175)	$ 525
State	(85)	160
	(260)	685
Deferred:		
Federal	(1,215)	(350)
State	(330)	(75)
	(1,545)	(425)
Income tax expense (benefit)	$ (1,805)	$ 260

Deferred income taxes are recorded based upon differences between the financial statement and tax bases of assets and liabilities. Temporary differences that comprise a significant part of deferred income tax assets and liabilities were as follows:

In Thousands	Jan. 1, 1995	Jan. 2, 1994
Intangible assets	$ 30,052	$ 35,540
Other	2,375	1,548
Gross deferred income tax liabilities	32,427	37,088
Net operating loss carryforwards	(1,204)	
Postretirement benefits payable	(946)	(1,662)
Other	(26)	
Gross deferred income tax assets	(2,176)	(1,662)
Deferred income tax liability	$ 30,251	$ 35,426

Wilmington recorded certain purchase accounting adjustments during 1994 to reflect the final purchase price for assets and liabilities acquired. The adjustments recorded were primarily to franchise and certain liability accounts. As a result of these adjustments, the amount recorded for the deferred income tax liability was reduced by $3.6 million with a corresponding reduction of recorded goodwill. In addition, final Piedmont operating expense allocations increased the current year tax benefit by $706,000.

Current deferred income taxes of $457,000 and $67,000 were included in accounts payable and accrued liabilities on January 1, 1995 and January 2, 1994, respectively.

Reported income tax expense (benefit) is reconciled to the amount computed on the basis of Wilmington's income (loss) before income taxes at the statutory rate as follows:

In Thousands	Fiscal Year 1994	For the Period July 2, 1993 through January 2, 1994
Statutory expense (benefit)	$ (1,219)	$ 55
Amortization of goodwill	278	128
State income tax expense (benefit), net of federal benefit	(158)	7
Final allocation of operating expenses	(706)	
Other		70
Income tax expense (benefit)	$ (1,805)	$ 260

9. Benefit Plans

Pursuant to the management agreement with Consolidated, Piedmont leases its active employees from Consolidated. These employees participate in Consolidated's benefit plans. Piedmont reimburses Consolidated for the actual costs of payroll and benefit expenses.

On July 2, 1993, Piedmont assumed the postretirement benefit obligation for certain retired employees of the bottling operations that were sold or contributed by Consolidated and The Coca-Cola Company. Postretirement benefit expense, which consisted entirely of interest cost on the projected benefit obligation, was $604,000 for the year ended January 1, 1995 and $340,000 for the six month period ended January 2, 1994. The accumulated postretirement benefit obligation for these former employees was approximately $7.2 million and $8.0 million as of January 1, 1995 and January 2, 1994, respectively.

Future postretirement benefit costs were estimated assuming the rate of medical cost increases would decline over a four-year period from a 10% increase beginning January 1, 1994 to 7% beginning January 1, 1997, and then decline to a 6.25% annual increase thereafter. A 1% increase in this annual trend rate would have increased the accumulated postretirement benefit obligation on January 1, 1995 by approximately $800,000 and postretirement benefit expense in the year ended January 1, 1995 would have increased by approximately $91,000. The weighted average discount rates used to estimate the postretirement benefit obligation were 8.25% and 7.5% as of January 1, 1995 and January 2, 1994, respectively.

10. Related Party Transactions

On July 2, 1993, Consolidated and The Coca-Cola Company formed Piedmont. Consolidated and The Coca-Cola Company, through their respective subsidiaries, each beneficially own a 50% interest in Piedmont. Consolidated provides a majority of the soft drink products for Piedmont and receives a fee for managing the operations of Piedmont pursuant to a management agreement.

Subsidiaries of Consolidated and The Coca-Cola Company each made an initial capital contribution to Piedmont of $70 million in the aggregate. The capital contribution made by Consolidated's subsidiaries was composed of approximately $21.7 million in cash and of bottling operations and certain assets used in connection with the Wilson, North Carolina and Greenville and Beaufort, South Carolina territories. Consolidated also sold other territories to Piedmont for an aggregate purchase price of approximately $118 million. The Coca-Cola Company sold territories to Piedmont for an aggregate purchase price of approximately $160.5 million.

In conjunction with its formation on July 2, 1993, Piedmont recorded notes with Consolidated and The Coca-Cola Company for net amounts of approximately $85.2 million and $93.1 million, respectively. In addition, Piedmont executed an additional note payable for approximately $11.1 million to Consolidated on August 6, 1993 in conjunction with its purchase of the Aiken, South Carolina territory. The interest rate on these notes was approximately 3.6%. These notes were repaid on August 31, 1993 when Piedmont secured its own bank financing. Interest paid to Consolidated and The Coca-Cola Company on these notes was approximately $528,000 and $547,000, respectively.

Piedmont's business consists primarily of the 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 concentrates or syrups) of its soft drink products are manufactured. Piedmont engages in arrangements to promote the sale of products of The Coca-Cola Company in its territories. Total direct marketing support provided to Piedmont by The Coca-Cola Company for the year ended January 1, 1995 and the six month period ended January 2, 1994 was approximately $10.9 million and $3.6 million, respectively. In addition, Piedmont paid approximately $5.0 million and $1.6 million for local media and marketing program expense pursuant to cooperative advertising and cooperative marketing arrangements with The Coca-Cola Company for the year ended January 1, 1995 and the six month period ended January 2, 1994, respectively. For the year ended January 1, 1995 and the six month period ended January 2, 1994, Piedmont purchased approximately $8.4 million and $2.1 million, respectively, of finished soft drink products, principally post-mix syrup, from The Coca-Cola Company.

Pursuant to the management agreement with Consolidated, Piedmont purchased, at cost, $75.9 million and $38.9 million of soft drink products from Consolidated during the year ended January 1, 1995 and the six month period ended January 2, 1994, respectively. Piedmont recorded management fees to Consolidated of $10.1 million and $4.8 million during the year ended January 1, 1995 and the six month period ended January 2, 1994, respectively. Piedmont subleased various fleet and vending equipment from Consolidated during 1994 and 1993, at Consolidated's cost. These sublease rentals amounted to approximately $693,000 and $380,000, respectively. Also, Consolidated subleased various fleet and vending equipment from Piedmont during 1994 and 1993, at Piedmont's cost. These sublease rentals amounted to approximately $56,000 and $2,000, respectively.

Consolidated receives a fee for managing the operations of South Atlantic Canners, Inc. ("SAC"), a manufacturing cooperative through which Piedmont purchases soft drink products. During the year ended January 1, 1995 and the six month period ended January 2, 1994, Piedmont's net purchases through SAC amounted to $13.7 million and $7.9 million, respectively.

11. Supplemental Disclosures of Cash Flow Information

Changes in current assets and current liabilities affecting cash were as follows:

In Thousands	Fiscal Year 1994	For the Period July 2, 1993 through January 2, 1994
Accounts receivable, trade, net	$ (928)	$ 4,037
Accounts receivable, other	516	(1,472)
Inventories	(461)	1,249
Prepaid expenses and other assets	(460)	933
Accounts payable and accrued liabilities	(1,761)	(7,234)
Due to Consolidated	(1,071)	2,454
Decrease (increase)	$ (4,165)	$ (33)

Cash payments for interest and income taxes were as follows:

In Thousands	Fiscal Year 1994	For the Period July 2, 1993 through January 2, 1994
Interest	$9,422	$ 3,591
Income taxes (refunds)	(217)	260

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 31, 1995

By: /s/ JAMES L. MOORE, JR.
James L. Moore, Jr.
President and Chief Operating 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.

By: /s/ J. FRANK HARRISON, JR. J. Frank Harrison, Jr.	Chairman of the Board and Director	March 31, 1995
By: /s/ J. FRANK HARRISON, III J. Frank Harrison, III	Vice Chairman of the Board, Chief Executive Officer and Director	March 31, 1995
By: /s/ JAMES L. MOORE, JR. James L. Moore, Jr.	President and Chief Operating Officer and Director	March 31, 1995
By: /s/ REID M. HENSON Reid M. Henson	Vice Chairman of the Board and Director	March 31, 1995
By: /s/ H. W. MCKAY BELK H. W. McKay Belk	Director	March 31, 1995
By: /s/ JOHN M. BELK John M. Belk	Director	March 31, 1995
By: /s/ H. REID JONES H. Reid Jones	Director	March 31, 1995
By: /s/ DAVID L. KENNEDY, JR. David L. Kennedy, Jr.	Director	March 31, 1995
By: /s/ JOHN W. MURREY, III John W. Murrey, III	Director	March 31, 1995
By: /s/ HERBERT L. OAKES Herbert L. Oakes	Director	March 31, 1995

By: /s/ DAVID V. SINGER David V. Singer	Vice President and Chief Financial Officer	March 31, 1995
By: /s/ STEVEN D. WESTPHAL Steven D. Westphal	Vice President and Chief Accounting Officer	March 31, 1995

EXHIBIT INDEX

Exhibit Number	Description	Page Number or Incorporation by Reference to
3.1	Bylaws of the Company, as amended.	Exhibit 3.2 to the Company's Registration Statement (No. 33-54657) on Form S-3.
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.
4.1	Specimen of Common Stock Certificate.	Exhibit 4.1 to the Company's Registration Statement (No. 2-97822) on Form S-1.
4.2	Credit Agreement dated as of March 17, 1992 among the Company and NationsBank of North Carolina, as Agent, and other banks named therein.	Exhibit 4.01 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 29, 1992
4.3	Amendment No. 1 to Amended and Restated Revolving Credit and Reimbursement Agreement, dated as of March 27, 1992 between the Company and NationsBank of North Carolina.	Exhibit 4.02 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 29, 1992.
4.4	Specimen Fixed Rate Note under the Company's Medium-Term Note Program, pursuant to which it may issue, from time to time, up to $200 million aggregate principal amount of its Medium-Term Notes, Series A.	Exhibit 4.1 to the Company's Current Report on Form 8-K dated February 14, 1990.
4.5	Specimen Floating Rate Note under the Company's Medium-Term Note Program, pursuant to which it may issue, from time to time, up to $200 million aggregate principal amount of its Medium-Term Notes, Series A.	Exhibit 4.2 to the Company's Current Report on Form 8-K dated February 14, 1990.

4.6	Indenture dated as of October 15, 1989 between the Company and Manufacturers Hanover Trust Company of California, as Trustee, in connection with the Company's $200 million shelf registration of its Medium-Term Notes, Series A, due from nine months to 30 years from date of issue.	Exhibit 4. to the Company's Registration Statement (No. 33-31784) on Form S-3 as filed on February 14, 1990.
4.7	Selling Agency Agreement, dated as of February 14, 1990, between the Company and Salomon Brothers and Goldman Sachs, as Agents, in connection with the Company's $200 million Medium-Term Notes, Series A, due from nine months to 30 years from date of issue.	Exhibit 1.2 to the Company's Registration Statement (No. 33-31784) on Form S-3 as filed on February 14, 1990.
4.8	Commercial Paper Agreement, dated as of December 13, 1989, between the Company and Goldman Sachs Money Markets, Inc., as co-agent.	Exhibit 4.8 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1989.
4.9	Form of Debenture issued by the Company to two shareholders of Sunbelt Coca-Cola Bottling Company, Inc. dated as of December 19, 1991.	Exhibit 4.04 to the Company's Current Report on Form 8-K dated December 19, 1991.
4.10	Commercial Paper Dealer Agreement, dated as of February 11, 1993, between the Company and Citicorp Securities Markets, Inc., as co-agent.	Exhibit 4.14 to the Company's Annual Report on Form 10-K for the fiscal year ended January 3, 1993.
4.11	Form of Indenture, dated as of July 20, 1994, between the Company and Nations-Bank of Georgia, N.A., as Trustee.	Exhibit 4.1 to the Company's Registration Statement (No. 33-54657) on Form S-3.
4.12	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 subsidiaries for which consolidated financial statements are required to be filed, and 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.	

4.13	Amended and restated agreement, dated as of November 14, 1994, between the Company and Goldman Sachs Money Markets, L.P.	Exhibit included in this filing.
4.14	Issuing and Paying Agency Agreement, dated as of September 30, 1994, between the Company and BankAmerica National Trust Company as issuing and paying agent.	Exhibit included in this filing.
10.1	Employment Agreement of James L. Moore, Jr. dated as of March 16, 1987.	Exhibit 10.2 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1986.
10.2	Stock Rights and Restrictions Agreement by and between Coca-Cola Bottling Co. Consolidated and The Coca-Cola Company dated January 27, 1989.	Exhibit 28.01 to the Company's Current Report on Form 8-K dated January 27, 1989.
10.3	Description and examples of bottling franchise agreements between the Company and The Coca-Cola Company.	Exhibit 10.20 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1988.
10.4	Lease, dated as of December 11, 1974, by and between the Company and the Ragland Corporation, related to the production/ distribution facility in Nashville, Tennessee.	Exhibit 19.6 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1988.
10.5	Amendment to Lease Agreement designated as Exhibit 10.4.	Exhibit 19.7 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1988.
10.6	Second Amendment to Lease Agreement designated as Exhibit 10.4.	Exhibit 19.8 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1988.

10.7	Supplemental Savings Incentive Plan, dated as of April 1, 1990 between certain Eligible Employees of the Company and the Company.	Exhibit 10.36 to the Company's Annual Report on Form 10-K for the fiscal year ended December 30, 1990.
10.8	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.	Exhibit 19.1 to the Company's Annual Report on Form 10-K for the fiscal year ended December 30, 1990.
10.9	Consolidated/Sunbelt Acquisition Agreement, dated as of December 19, 1991, by and among the Company and the share-holders of Sunbelt Coca-Cola Bottling Company, Inc.	Exhibit 2.01 to the Company's Current Report on Form 8-K dated December 19, 1991.
10.10	Officer Retention Plan, dated as of January 1, 1991, between certain Eligible Officers of the Company and the Company.	Exhibit 10.47 to the Company's Annual Report on Form 10-K for the fiscal year ended December 29, 1991.
10.11	Acquisition Agreement, by and among Sunbelt Coca-Cola Bottling Company, Inc., Sunbelt Carolina Acquisition Company, Inc., certain of the common stockholders of Coca-Cola Bottling Co. Affiliated, Inc., and the stockholders of TRNH, Inc., dated as of November 7, 1989.	Exhibit 10.50 to the Company's Annual Report on Form 10-K for the fiscal year ended December 29, 1991.
10.12	Amendment Number One to the Sunbelt/ Affiliated Acquisition Agreement, dated as of December 29, 1989, between Sunbelt Coca-Cola Bottling Company, Inc., Sunbelt Carolina Acquisition Company, Inc., certain of the common stockholders of Coca-Cola Bottling Co. Affiliated, Inc. and the stockholders of TRNH, Inc.	Exhibit 10.04 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 29, 1992.
10.13	Amendment Number Two to the Sunbelt/ Affiliated Acquisition Agreement, dated as of December 29, 1989, between Sunbelt Coca-Cola Bottling Company, Inc., Sunbelt Carolina Acquisition Company, Inc., certain of the common stockholders of Coca-Cola Bottling Co. Affiliated, Inc. and the stockholders of TRNH, Inc.	Exhibit 10.05 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 29, 1992.

10.14	Amendment Number Three to the Sunbelt/ Affiliated Acquisition Agreement, dated as of December 29, 1989, between Sunbelt Coca-Cola Bottling Company, Inc., Sunbelt Carolina Acquisition Company, Inc., certain of the common stockholders of Coca-Cola Bottling Co. Affiliated, Inc. and the stockholders of TRNH, Inc.	Exhibit 10.06 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 29, 1992.
10.15	Lease Agreement, dated as of November 30, 1992, between the Company and Harrison Limited Partnership One, related to the Snyder Production Center in Charlotte, North Carolina.	Exhibit 10.38 to the Company's Annual Report on Form 10-K for the fiscal year ended January 3, 1993.
10.16	Termination and Release Agreement dated as of March 27, 1992 by and among Sunbelt Coca-Cola Bottling Company, Coca-Cola Bottling Co. Affiliated, Inc., the agent for holders of certain debentures of Sunbelt issued pursuant to a certain Indenture dated as of January 11, 1990, as amended, and Wilmington Trust Company which acted as trustee under the Indenture.	Exhibit 10.43 to the Company's Annual Report on Form 10-K for the fiscal year ended January 3, 1993.
10.17	Reorganization Plan and Agreement by and among Coca-Cola Bottling Co. Consolidated, Chopper Acquisitions, Inc., Whirl-i-Bird, Inc. and J. Frank Harrison, Jr.	Exhibit 10.03 to the Company's Quarterly Report on Form 10-Q for the quarter ended April 4, 1993.
10.18	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.	Exhibit 2.01 to the Company's Current Report on Form 8-K dated July 2, 1993.
10.19	Asset Purchase Agreement, dated as of July 2, 1993, by and among Carolina Coca-Cola Bottling Partnership, Coca-Cola Bottling Co. Affiliated, Inc. and Coca-Cola Bottling Co. Consolidated.	Exhibit 2.02 to the Company's Current Report on Form 8-K dated July 2, 1993.
10.20	Asset Purchase Agreement, dated as of July 2, 1993, by and among Carolina Coca-Cola Bottling Partnership, Fayetteville Coca-Cola Bottling Company and Coca-Cola Bottling Co. Consolidated.	Exhibit 2.03 to the Company's Current Report on Form 8-K dated July 2, 1993.

10.21	Asset Purchase Agreement, dated as of July 2, 1993, by and among Carolina Coca-Cola Bottling Partnership, Palmetto Bottling Company and Coca-Cola Bottling Co. Consolidated.	Exhibit 2.04 to the Company's Current Report on Form 8-K dated July 2, 1993.
10.22	Definition and Adjustment Agreement, dated July 2, 1993, by and among Carolina Coca-Cola Bottling Partnership, Coca-Cola Ventures, Inc., Coca-Cola Bottling Co. Consolidated, CCBC of Wilmington, Inc., Carolina Coca-Cola Bottling Investments, Inc., The Coca-Cola Company, Carolina Coca-Cola Holding Company, The Coastal Coca-Cola Bottling Company, Eastern Carolina Coca-Cola Bottling Company, Inc., Coca-Cola Bottling Co. Affiliated, Inc., Fayetteville Coca-Cola Bottling Company and Palmetto Bottling Company.	Exhibit 2.05 to the Company's Current Report on Form 8-K dated July 2, 1993.
10.23	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.	Exhibit 10.01 to the Company's Current Report on Form 8-K dated July 2, 1993.
10.24	Post-Retirement Medical and Life Insurance Benefit Reimbursement Agreement, dated July 2, 1993, by and between Carolina Coca-Cola Bottling Partnership and Coca-Cola Bottling Co. Consolidated.	Exhibit 10.02 to the Company's Current Report on Form 8-K dated July 2, 1993.
10.25	Aiken Asset Purchase Agreement, dated as of August 6, 1993 by and among Carolina Coca-Cola Bottling Partnership, Palmetto Bottling Company and Coca-Cola Bottling Co. Consolidated.	Exhibit 2.01 to the Company's Quarterly Report on Form 10-Q for the quarter ended July 4, 1993.
10.26	Aiken Definition and Adjustment Agreement, dated as of August 6, 1993, by and among Carolina Coca-Cola Bottling Partnership, Coca-Cola Ventures, Inc., Coca-Cola Bottling Co. Consolidated, Carolina Coca-Cola Bottling Investments, Inc., The Coca-Cola Company and Palmetto Bottling Company.	Exhibit 2.02 to the Company's Quarterly Report on Form 10-Q for the quarter ended July 4, 1993.
10.27	Lease Agreement, dated as of June 1, 1993, between the Company and Beacon Investment Corporation, related to the Company's corporate headquarters in Charlotte, North Carolina.	Exhibit 10.01 to the Company's Quarterly Report on Form 10-Q for the quarter ended July 4, 1993.

10.28	Amended and Restated Guaranty Agreement, dated as of July 15, 1993 re: Southeastern Container, Inc.	Exhibit 10.06 to the Company's Quarterly Report on Form 10-Q for the quarter ended July 4, 1993.
10.29	Agreement, dated as of December 23, 1993, between the Company and Western Container Corporation covering purchase of PET bottles.	Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended October 2, 1994.
10.30	Management Agreement, dated as of June 1, 1994, by and among Coca-Cola Bottling Co. Consolidated and South Atlantic Canners, Inc.	Exhibit 10.6 to the Company's Quarterly Report on Form 10-Q for the quarter ended July 3, 1994.
10.31	Guaranty Agreement, dated as of July 22, 1994, between Coca-Cola Bottling Co. Consolidated and Wachovia Bank of North Carolina, N.A.	Exhibit 10.7 to the Company's Quarterly Report on Form 10-Q for the quarter ended July 3, 1994.
10.32	Master Lease Agreement, beginning on May 31, 1988, with Schedules 1 through 3, between the Company and General Electric Capital Corporation covering various vehicles.	Exhibit 19.3 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 1990.
10.33	Lease Agreement, dated as of July 17, 1988, between the Company and GE Capital Fleet Services covering various vehicles.	Exhibit 19.4 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 1990.
10.34	Master Motor Vehicle Lease Agreement, dated as of December 15, 1988, with Schedule 4 between the Company and Citicorp North America, Inc. covering various vehicles.	Exhibit 19.5 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 1990.
10.35	Master Lease Agreement, beginning on April 12, 1989, with Schedule 1, between the Company and Citicorp North America, Inc. covering various equipment.	Exhibit 19.6 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 1990.
10.36	Schedules 2 through 6 of a Master Lease Agreement, beginning on April 12, 1989, between the Company and Citicorp North America, Inc. covering various forklifts and vending machines.	Exhibit 10.39 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 1991.

10.37	Schedule 7 of a Master Lease Agreement, beginning on April 12, 1989, between the Company and Citicorp North America, Inc. covering various vending machines.	Exhibit 10.41 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 29, 1991.
10.38	Schedules 8 and 9 of a Master Lease Agreement, beginning on April 12, 1989, between the Company and Citicorp North America, Inc. covering various vending machines.	Exhibit 10.49 to the Company's Annual Report on Form 10-K for the fiscal year ended December 29, 1991.
10.39	Schedule 14 of a Master Motor Vehicle Lease Agreement, beginning on November 14, 1988, between the Company and Citicorp North America, Inc. covering various vehicles.	Exhibit 10.48 to the Company's Annual Report on Form 10-K for the fiscal year ended December 29, 1991.
10.40	Master Lease Agreement, dated as of January 7, 1992 between the Company and Signet Leasing and Financial Corporation, and Schedules 1 through 4, covering various vehicles.	Exhibit 10.01 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 29, 1992.
10.41	Schedule No. 1, dated as of March 16, 1992, of a Master Lease Agreement between the Company and Citicorp North America, Inc. covering various vending machines.	Exhibit 10.02 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 29, 1992.
10.42	Schedule No. 2, dated as of April 27, 1992, of a Master Lease Agreement between the Company and Citicorp North America, Inc. covering various vending machines.	Exhibit 10.03 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 29, 1992.
10.43	Schedule No. 3, dated as of June 8, 1992, of a Master Lease Agreement between the Company and Citicorp North America, Inc. covering various vending machines.	Exhibit 10.07 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 28, 1992.
10.44	Schedule No. 4, dated as of July 13, 1992, of a Master Lease Agreement between the Company and Citicorp North America, Inc. covering various vending machines.	Exhibit 10.08 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 28, 1992.

10.45	Amended Schedules No. 1, 2 and 4 of a Master Lease Agreement, dated as of January 7, 1992 between the Company and Signet Leasing and Financial Corporation, covering various vehicles.	Exhibit 10.09 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 27, 1992.
10.46	Schedules No. 1A, 5, 6, 7 and 8 of a Master Lease Agreement, dated as of January 7, 1992 between the Company and Signet Leasing and Financial Corporation, covering various vehicles and forklifts.	Exhibit 10.10 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 27, 1992.
10.47	Master Equipment Lease, dated as of February 9, 1993, between the Company and Coca-Cola Financial Corporation covering various vending machines.	Exhibit 10.37 to the Company's Annual Report on Form 10-K for the fiscal year ended January 3, 1993.
10.48	Motor Vehicle Lease Agreement No. 790855, dated as of December 31, 1992, between the Company and Citicorp Leasing, Inc. covering various vehicles.	Exhibit 10.39 to the Company's Annual Report on Form 10-K for the fiscal year ended January 3, 1993.
10.49	Schedules 1 through 5 of the Motor Vehicle Lease Agreement No. 790855, beginning on December 31, 1992, between the Company and Citicorp Leasing, Inc. covering various vehicles.	Exhibit 10.40 to the Company's Annual Report on Form 10-K for the fiscal year ended January 3, 1993.
10.50	Amended and Restated Leasing Schedules No. 1, 3, 5, 6, 8, 9, 11, 12 and 13 of a Master Motor Vehicle Lease Agreement, dated as of November 14, 1988, between the Company and Citicorp North America, Inc. covering various vehicles.	Exhibit 10.41 to the Company's Annual Report on Form 10-K for the fiscal year ended January 3, 1993.
10.51	Schedule 10 of a Master Lease Agreement, dated as of January 7, 1992 between the Company and Signet Leasing and Financial Corporation covering various forklifts.	Exhibit 10.45 to the Company's Annual Report on Form 10-K for the fiscal year ended January 3, 1993.
10.52	Schedule No. 5, dated as of August 10, 1992, of a Master Lease Agreement between the Company and Citicorp Leasing, Inc. covering various vending machines.	Exhibit 10.46 to the Company's Annual Report on Form 10-K for the fiscal year ended January 3, 1993.
10.53	Schedule No. 6, dated as of September 17, 1992, of a Master Lease Agreement between the Company and Citicorp Leasing, Inc. covering various vending machines.	Exhibit 10.47 to the Company's Annual Report on Form 10-K for the fiscal year ended January 3, 1993.

10.54	Schedule No. 7, dated as of December 7, 1992, of a Master Lease Agreement between the Company and Citicorp Leasing, Inc. covering various vending machines.	Exhibit 10.48 to the Company's Annual Report on Form 10-K for the fiscal year ended January 3, 1993.
10.55	Schedule No. 8, dated as of January 4, 1993, of a Master Lease Agreement between the Company and Citicorp Leasing, Inc. covering various vending machines.	Exhibit 10.49 to the Company's Annual Report on Form 10-K for the fiscal year ended January 3, 1993.
10.56	Schedule No. 9, dated as of March 4, 1993, of a Master Lease Agreement between the Company and Citicorp Leasing, Inc. covering various vending machines.	Exhibit 10.50 to the Company's Annual Report on Form 10-K for the fiscal year ended January 3, 1993.
10.57	Lease Funding No. 1, dated April 30, 1993, of a Master Equipment Lease between the Company and Coca-Cola Financial Corporation covering various vending machines.	Exhibit 10.01 to the Company's Quarterly Report on Form 10-Q for the quarter ended April 4, 1993.
10.58	Amended and Restated Schedule No. 7, dated April 27, 1993, of Motor Vehicle Lease Agreement No. 743918 between the Company and Citicorp North America, Inc. covering various vehicles.	Exhibit 10.02 to the Company's Quarterly Report on Form 10-Q for the quarter ended April 4, 1993.
10.59	Lease Funding No. 2, dated as of June 1, 1993, of a Master Equipment Lease between the Company and Coca-Cola Financial Corporation covering various vending machines.	Exhibit 10.02 to the Company's Quarterly Report on Form 10-Q for the quarter ended July 4, 1993.
10.60	Lease Funding No. 3, dated as of July 12, 1993, of a Master Equipment Lease between the Company and Coca-Cola Financial Corporation covering various vending machines.	Exhibit 10.03 to the Company's Quarterly Report on Form 10-Q for the quarter ended July 4, 1993.
10.61	Schedule No. 12 of a Master Lease Agreement, dated as of April 1, 1993, between the Company and Signet Leasing and Financial Corporation covering various vehicles.	Exhibit 10.04 to the Company's Quarterly Report on Form 10-Q for the quarter ended July 4, 1993.
10.62	Schedule No. 13 of a Master Lease Agreement, dated as of April 1, 1993, between the Company and Signet Leasing and Financial Corporation covering various vehicles.	Exhibit 10.05 to the Company's Quarterly Report on Form 10-Q for the quarter ended July 4, 1993.

10.63	Lease Funding No. 4, dated as of August 24, 1993, of a Master Equipment Lease between the Company and Coca-Cola Financial Corporation covering various vending machines.	Exhibit 10.01 to the Company's Quarterly Report on Form 10-Q for the quarter ended October 3, 1993.
10.64	Lease Funding No. 5, dated as of September 30, 1993, of a Master Equipment Lease between the Company and Coca-Cola Financial Corporation covering various vending machines.	Exhibit 10.02 to the Company's Quarterly Report on Form 10-Q for the quarter ended October 3, 1993.
10.65	Schedule No. 11 of a Master Lease Agreement, dated as of July 1, 1993, between the Company and Signet Leasing and Financial Corporation covering various vehicles.	Exhibit 10.03 to the Company's Quarterly Report on Form 10-Q for the quarter ended October 3, 1993.
10.66	Schedule No. 14 of a Master Lease Agreement, dated as of July 1, 1993, between the Company and Signet Leasing and Financial Corporation covering various vehicles.	Exhibit 10.04 to the Company's Quarterly Report on Form 10-Q for the quarter ended October 3, 1993.
10.67	Schedule No. 15 of a Master Lease Agreement, dated as of July 1, 1993, between the Company and Signet Leasing and Financial Corporation covering various vehicles.	Exhibit 10.05 to the Company's Quarterly Report on Form 10-Q for the quarter ended October 3, 1993.
10.68	Lease Funding No. 6, dated as of November 1, 1993, of a Master Equipment Lease between the Company and Coca-Cola Financial Corporation covering various vending machines.	Exhibit 10.06 to the Company's Quarterly Report on Form 10-Q for the quarter ended October 3, 1993.
10.69	Lease Funding No. 7, dated as of November 17, 1993, of a Master Equipment Lease between the Company and Coca-Cola Financial Corporation covering various vending machines.	Exhibit 10.66 to the Company's Annual Report on Form 10-K for the fiscal year ended January 2, 1994.
10.70	Lease Funding No. 8, dated as of December 30, 1993, of a Master Equipment Lease between the Company and Coca-Cola Financial Corporation covering various vending machines.	Exhibit 10.67 to the Company's Annual Report on Form 10-K for the fiscal year ended January 2, 1994.
10.71	Master Lease Agreement, dated as of February 18, 1992, between the Company and Citicorp Leasing, Inc. covering various equipment.	Exhibit 10.69 to the Company's Annual Report on Form 10-K for the fiscal year ended January 2, 1994.

10.72	Lease Funding No. 94001, dated as of March 11, 1994, of a Master Equipment Lease between the Company and Coca-Cola Financial Corporation covering various vending machines.	Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended April 3, 1994.
10.73	Lease Funding No. 94002, dated as of April 25, 1994, of a Master Equipment Lease between the Company and Coca-Cola Financial Corporation covering various vending machines.	Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended July 3, 1994.
10.74	Lease Funding No. 94003, dated as of May 12, 1994, of a Master Equipment Lease between the Company and Coca-Cola Financial Corporation covering various vending machines.	Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended July 3, 1994.
10.75	Lease Funding No. 94004, dated as of June 3, 1994, of a Master Equipment Lease between the Company and Coca-Cola Financial Corporation covering various vending machines.	Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the quarter ended July 3, 1994.
10.76	Lease Funding No. 94005, dated as of June 22, 1994, of a Master Equipment Lease between the Company and Coca-Cola Financial Corporation covering various vending machines.	Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q for the quarter ended July 3, 1994.
10.77	Lease Funding No. 94006, dated as of July 8, 1994, of a Master Equipment Lease between the Company and Coca-Cola Financial Corporation covering various vending machines.	Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q for the quarter ended July 3, 1994.
10.78	Lease Funding No. 94007, dated as of August 12, 1994, of a Master Equipment Lease between the Company and Coca-Cola Financial Corporation covering various vending machines.	Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended October 2, 1994.
10.79	Lease Funding No. 94008, dated as of September 7, 1994, of a Master Equipment Lease between the Company and Coca-Cola Financial Corporation covering various vending machines.	Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the quarter ended October 2, 1994.
10.80	Lease Funding No. 94009, dated as of October 10, 1994, of a Master Equipment Lease between the Company and Coca-Cola Financial Corporation covering various vending machines.	Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q for the quarter ended October 2, 1994.

10.81	Lease Funding No. 94010, dated as of October 26, 1994, of a Master Equipment Lease between the Company and Coca-Cola Financial Corporation covering various vending machines.	Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q for the quarter ended October 2, 1994.
10.82	Description of the Company's 1995 Bonus Plan for officers.	Exhibit included in this filing.
10.83	Selling Agency Agreement, dated as of March 3, 1995, between the Company, Salomon Brothers Inc. and Citicorp Securities, Inc.	Exhibit included in this filing.
10.84	Amendment, dated as of May 18, 1994, to Employment Agreement designated as Exhibit 10.1.	Exhibit included in this filing.
10.85	Agreement, dated as of March 1, 1994, between the Company and South Atlantic Canners, Inc.	Exhibit included in this filing.
10.86	Stock Option Agreement, dated as of March 8, 1989, of J. Frank Harrison, Jr.	Exhibit included in this filing.
10.87	Stock Option Agreement, dated as of August 9, 1989, of J. Frank Harrison, III.	Exhibit included in this filing.
10.88	Lease Funding No. 94011, dated as of November 30, 1994, of a Master Equipment Lease between the Company and Coca-Cola Financial Corporation covering various vending machines.	Exhibit included in this filing.
10.89	Lease Funding No. 94012, dated as of December 19, 1994, of a Master Equipment Lease between the Company and Coca-Cola Financial Corporation covering various vending machines.	Exhibit included in this filing.
10.90	Lease Funding No. 94013, dated as of January 17, 1995, of a Master Equipment Lease between the Company and Coca-Cola Financial Corporation covering various vending machines.	Exhibit included in this filing.
10.91	Lease Funding No. 95001, dated as of February 8, 1995, of a Master Equipment Lease between the Company and Coca-Cola Financial Corporation covering various vending machines.	Exhibit included in this filing.

10.92	Supplemental Indenture, dated as of March 3, 1995, between the Company and NationsBank of Georgia, National Association, as Trustee.	Exhibit included in this filing.
21.1	List of subsidiaries.	Exhibit included in this filing.
23.1	Accountants Consent to Incorporation by Reference into Form S-3 (Registration No. 33-4325) and Form S-3 (Registration No. 33-54657).	Exhibit included in this filing.
27.1	Financial data schedule for period ended January 1, 1995.	Exhibit included in this filing.
99.1	Information, financial statements and exhibits required by Form 11-K with respect to the Coca-Cola Bottling Co. Consolidated Savings Plan.	To be supplied by amendment.

EXHIBIT 4.13

Goldman Sachs Money Markets L.P. 85 Broad Street New York, New York 10004
(a Delaware limited partnership)
Tel: 212-902-3585

Goldman
Sachs

November 14, 1994

Coca-Cola Bottling Co. Consolidated
1900 Rexford Road
Charlotte, North Carolina 28211

Dear Sirs:

This letter will amend and restate the agreement dated December 13, 1989 between Coca-Cola Bottling Co. Consolidated (the "Company") and Goldman Sachs Money Markets, L.P. and its successors ("GSMM LP") with respect to the offer and sale by GSMM LP of short-term promissory notes ("Notes") proposed to be issued from time to time by the Company in transactions not involving a public offering within the meaning of Section 4(2) of the Securities Act of 1933 (the "Act") and Rule 506 thereunder. The Company understands that this letter does not constitute a commitment or obligation, expressed or implied, on the part of GSMM LP to purchase any Notes from the Company, or to offer or sell any Notes.

1. The Notes will be issuable in denominations of not less than $250,000, will not be exchangeable for smaller denominations and will have maturities not exceeding 270 days from the date of issue. The Notes may be issued in physical bearer form or in book-entry form. Notes in book-entry form will be represented by master notes registered in the name of a nominee of the Depository Trust Company ("DTC") and recorded in the book-entry system maintained by DTC. References to "Notes" in this agreement shall refer both to physical and book-entry Notes to the extent that the context of this agreement requires. The Notes may be issued either at a discount or as interest bearing obligations with interest payable at maturity in a stated amount. Notes will be issued through BankAmerica National Trust Company in accordance with an issuing and paying agency agreement between the Company and such bank, a copy of which has been or will be furnished to GSMM LP. The Company will not amend such agreement without first informing GSMM LP and will promptly furnish to GSMM LP a copy of any amendment to such agreement.

2. The Company hereby confirms to GSMM LP that within the preceding six months, except for publicly-offered unsecured medium-term promissory notes sold under registration statements filed pursuant to the Securities Act of 1933, offered through Salomon Brothers Inc. and Citicorp Securities Markets, Inc., neither the Company nor any person other than GSMM LP or Citicorp Securities Markets, Inc. ("CSMI") acting on behalf of the Company has offered or sold any Notes, or any substantially similar security of the Company, to, or solicited offers to buy any thereof from, any person other than GSMM LP or CSMI. The Company also agrees that, as long as the Notes are being offered for sale by

GSMM LP as contemplated hereby and until at least six months after the offer of Notes hereunder has been terminated, neither the Company nor any person other than GSMM LP or CSMI will offer the Notes or any substantially similar security of the Company for sale to, or solicit offers to buy any thereof from, any person other than GSMM LP or CSMI except with the prior written consent of GSMM LP, which will not be unreasonably withheld, it being understood that this agreement is made with a view to bringing the offer and sale of the Notes within the exemption provided by Section 4(2) of the Securities Act of 1933 and Rule 506 thereunder. Further, both the Company and GSMM LP agree that neither the Company nor any person acting on its behalf, nor GSMM LP, will offer or sell, or solicit offers to buy, the Notes by any form of general solicitation or general advertising, within the meaning of Rule 502(c) under the Act or otherwise. The Company also confirms that it has entered into a dealer agreement with CSMI which contains provisions relating to the qualification of prospective investors, maintaining a list thereof and manner of offering the Notes which are substantially identical to the corresponding provisions contained in this agreement. The Company agrees that such provisions in its dealer agreement with CSMI shall not be amended in any material respect without GSMM LP's prior written consent, which will not be unreasonably withheld.

3. (a) GSMM LP proposes to maintain a list of prospective purchasers of the Notes to whom GSMM LP may make offers and sales of Notes (the "Investor List"). It is contemplated that GSMM LP will include on such Investor List (i) investors who may purchase Notes for their own accounts, (ii) investors who may purchase Notes as fiduciary or agent for the accounts of others and (iii) investors for whose accounts Notes may be purchased by others as fiduciary or agent.

(b) An investor will be included on the Investor List only if reasonably believed by GSMM LP to be a (A) sophisticated institutional investor that is an "Accredited Investor" as that term is defined in Rule 5Ol(a) under the Act ("Accredited Investor"), or, if the potential investor is a fiduciary or agent (other than a U.S. bank or savings and loan association) who will be purchasing Notes for one or more accounts, each such account will be an Accredited Investor, that either (i) has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of investing in Notes or (ii) is represented by a fiduciary or agent with sole investment discretion having such knowledge and experience, or (B) a "Qualified Institutional Buyer," as that term is defined in Rule l44A under the Act.

(c) GSMM LP will offer and sell Notes only to investors which at the time are on the Investor List and are reasonably believed by GSMM LP to meet the requirements set forth above for inclusion thereon.

(d) The Company represents and agrees that the proceeds of the sale of the Notes are not currently contemplated to be used for the purpose of buying, carrying or trading securities within the meaning of Regulation T and the interpretations thereunder by the Board of Governors of the Federal Reserve System. In the event that the Company determines to use such proceeds for the purpose of buying, carrying or trading securities including, but not limited to, buying, carrying or trading securities in connection with an acquisition of equity securities of another company, the Company shall give GSMM LP at least five days prior written notice to that effect. The Company shall also give GSMM LP prompt notice of the actual date that it commences to purchase such securities with the proceeds of commercial paper. Thereafter, in the event that GSMM LP purchases Notes as principal and does not resell such Notes on the day of such purchase, GSMM LP will sell such Notes only to persons on the

Investor List it reasonably believes to be Qualified Institutional Buyers or to Qualified Institutional Buyers on the Investor List it reasonably believes are acting for other Qualified Institutional Buyers, in each case pursuant to Rule 144A.

4. (a) GSMM LP will furnish to each purchaser of Notes (or to the fiduciary or agent acting for such purchaser), at or before the time of the sale of Notes to such purchaser, an Offering Memorandum in form and substance satisfactory to the Company and GSMM LP. The Offering Memorandum at any time may consist of an annual Offering Memorandum and one or more supplemental Memoranda and will, among other things:

(i) Include summary financial and other information derived from the Company's latest Annual Report on Form lO-K and from any subsequent reports by it on Forms lO-Q or 8-K or materials mailed by it to its public stockholders; and incorporate by reference such Form lO-K report and any such subsequent lO-Q or 8-K reports;

(ii) Include a statement to the effect that copies of reports filed by the Company with the Securities and Exchange Commission or mailed by it to its public stockholders, as well as such additional information, if any, as an investor in Notes may reasonably request, may be obtained through GSMM LP;

(iii) Set forth on the first page of the annual Offering Memorandum, with a reference thereto on the first page of each supplemental Memorandum, statements substantially as follows:

PRIVATE PLACEMENT:

THE NOTES OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), AND INITIAL SALES OF THE NOTES MAY BE MADE ONLY TO INSTITUTIONAL INVESTORS APPROVED AS "ACCREDITED INVESTORS" AS DEFINED IN RULE 501(A) UNDER THE ACT. SUBSEQUENT SALES OF THE NOTES MAY BE MADE ONLY TO INSTITUTIONAL INVESTORS APPROVED AS "ACCREDITED INVESTORS", OR, PURSUANT TO RULE l44A UNDER THE ACT, TO QUALIFIED INSTITUTIONAL BUYERS AS DEFINED IN RULE l44A. BY ITS ACCEPTANCE OF A NOTE, A PURCHASER (A) REPRESENTS THAT IT IS AN INSTITUTIONAL ACCREDITED INVESTOR, THAT THE NOTE IS BEING ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR FOR SALE IN CONNECTION WITH, ANY DISTRIBUTION THEREOF AND, IN THE CASE OF RESALES PURSUANT TO RULE l44A, THAT IT IS A QUALIFIED INSTITUTIONAL BUYER, THAT ANY PERSON FOR WHICH IT MAY BE PURCHASING THE NOTE IS A QUALIFIED INSTITUTIONAL BUYER AND THAT THE PURCHASER UNDERSTANDS THAT THE NOTE MAY BE SOLD TO IT PURSUANT TO RULE l44A, AND (B) AGREES THAT ANY RESALE OR

TRANSFER OF THE NOTE OR ANY INTEREST THEREIN WILL BE MADE ONLY IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE ACT AND ONLY (l) TO AN APPROVED DEALER, (2) THROUGH AN APPROVED DEALER TO AN INSTITUTIONAL ACCREDITED INVESTOR OR A QUALIFIED INSTITUTIONAL BUYER OR (3) DIRECTLY TO A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MADE PURSUANT TO RULE l44A.

Each purchaser of a Note will be deemed to have represented and agreed as follows: (l) the purchaser understands that the Notes are being issued only in transactions not involving any public offering within the meaning of the Securities Act of 1933; (2) the purchaser is a sophisticated institutional investor who (A) is an "Accredited Investor" as that term is defined in Rule 501(a) under the Securities Act of 1933 (or is a fiduciary or agent (other than a U.S. bank or savings and loan association) which is purchasing the Note for the account of an Accredited Investor) and (B) has such knowledge and experience (or is a fiduciary or agent with sole investment discretion having such knowledge and experience) in financial and business matters that it (or such fiduciary or agent) is capable of evaluating the merits and risks of investing in such Note; (3) such Note is being purchased for the purchaser's own account (or for the account of one or more other institutional investors for which it is acting as duly authorized fiduciary or agent), for investment and not with a view to public distribution; (4) if in the future the purchaser (or any such other investor or any other fiduciary or agent representing such investor) decides to sell such Note prior to maturity, it will be sold only to GSMM LP or through GSMM LP to an institutional investor which GSMM LP advises is on an Investor List maintained by GSMM LP and only in a transaction exempt from registration under such Act; (5) the purchaser understands that, although GSMM LP may repurchase Notes, GSMM LP is not obligated to do so, and accordingly the purchaser (or any such other investor) should be prepared to hold such Note until maturity; and (6) the purchaser understands that such Note will bear a legend substantially as set forth in capital letters above.

(b) The Company agrees to furnish promptly to GSMM LP three copies of all reports filed with the Securities and Exchange Commission, all documents filed with any stock exchange, all documents mailed to the Company's public shareholders, all press releases (issued by its corporate headquarters) and such other publicly distributed documents as GSMM LP may reasonably request in order for GSMM LP to prepare from time to time offering memoranda for distribution to purchasers of Notes and in order for GSMM LP to evaluate at any time the ability of the Company to pay the Notes as they mature. The Company also agrees to furnish to GSMM LP such additional information concerning the Company as GSMM LP may reasonably request.

(c) If at any time any event or other development occurs as a result of which the Offering Memorandum (including any documents incorporated by reference therein) includes an untrue statement of material fact or omits to state a material fact necessary in order to make the statements contained therein, in light of the circumstances under which they were made, not misleading, the Company will

promptly notify GSMM LP thereof, and GSMM LP will not thereafter use such Offering Memorandum or offer or sell Notes until an appropriately revised Offering Memorandum is available. Each sale of a Note by the Company to GSMM LP shall constitute a representation by the Company that the Offering Memorandum (including any documents incorporated by reference therein) at such time does not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

5. The Company agrees that each Note, including each master note, will bear a legend substantially as set forth in capital letters under "Private Placement" in paragraph 4(a) (iii) above.

6. The Company will timely file such amendments to its notice on Form D as may be required by Rule 503. The Company will furnish to GSMM LP evidence of each such filing (including a copy thereof).

7. In the event that any Note offered or to be offered by GSMM LP would be ineligible for resale under Rule 144A under the Act (because such Note is of the same class (within the meaning of Rule 144A) as any other securities of the Company which are at such time listed on a national securities exchange registered under Section 6 of the Securities Exchange Act of 1934, as amended, or quoted in a U.S. automated inter-dealer quotation system), the Company shall immediately notify GSMM LP (by telephone, confirmed in writing) of such fact and will promptly prepare and deliver to GSMM LP an amendment or supplement to the Private Placement Memorandum describing the Notes which are ineligible, the reason for such ineligibility and any other relevant information relating thereto. At any time when the Company is not subject to Section 13 or 15(d) of the Securities Exchange Act of 1934, the Company agrees to furnish at its expense, upon request, to holders and prospective purchasers of Notes information satisfying the requirement of subsection (d)(4)(i) of Rule 144A under the Act.

8. The Company agrees promptly from time to time to take such action as GSMM LP may reasonably request to qualify the Notes for offering and sale under the securities laws of such jurisdictions as GSMM LP may request and to comply with such laws so as to permit the continuance of sales and dealings therein in such jurisdictions for as long as may be necessary to complete the transactions contemplated hereby, provided that in connection therewith the Company shall not be required to qualify as a foreign corporation or to file a general consent to service of process in any jurisdiction other than consent to service of process under such state securities laws. The Company also agrees to reimburse GSMM LP for any reasonable fees or costs incurred in so qualifying the Notes.

9. This agreement will continue in effect until terminated as provided in this paragraph. This agreement may be terminated by the Company by giving written notice of its election to do so to GSMM LP; or by GSMM LP by giving written notice of its election to do so to the Company. This agreement shall terminate at the close of business on the first business day following the receipt of such notice by the party to whom such notice was given; provided, however, that the provisions of paragraph 2, 4(c), 6, 7 and 8 will continue in effect subsequent to any such termination.

10. This agreement and each Note shall be governed by, and construed in accordance with, the laws of the State of New York.

If the foregoing is in accordance with your understanding please confirm the same by signing and returning a copy hereof.

Yours very truly,

GOLDMAN SACHS MONEY MARKETS, L.P.
a Delaware limited partnership

By: GSMM Corp., as sole general partner

By George A. Myers
GSMM Corp. Officer

Confirmed as of the
above date:

COCA-COLA BOTTLING CO. CONSOLIDATED

By Brenda B. Jackson

Title: Brenda B. Jackson
Vice President & Treasurer

EXHIBIT 4.14

ISSUING AND PAYING AGENCY AGREEMENT

BankAmerica National Trust Company
One World Trade Center,
New York, New York 10048-1191

Attn: Corporate Trust Division

Re: Coca-Cola Bottling Co. Consolidated
Commercial Paper Program

Ladies and Gentlemen:

This letter sets forth the understanding between you and Coca-Cola Bottling Co. Consolidated (the "Company"), whereby you have agreed to act (a) as depositary for the safekeeping of certain notes of the Company which may be issued and sold in the United States commercial paper market (the "CP Notes"; such Commercial Paper Notes when issued in book-entry form being hereinafter referred to as "Book-Entry CP Notes" and when issued in the form of certificated promissory notes being hereinafter referred to as the "Certificated CP Notes"), (b) as issuing agent on behalf of the Company in connection with the issuance of the CP Notes, (c) as paying agent to undertake certain obligations to make payments in respect of the CP Notes, and (d) as depositary to receive certain funds on behalf of the Company, as set forth herein. You have executed or will promptly hereafter execute a Letter of Representations (the "Letter of Representations", which term shall include the Procedures referred to therein) with the Company and The Depository Trust Company ("DTC") and a Certificate Agreement (the "Certificate Agreement") with DTC which establish or will establish, among other things, the procedures to be followed by you in connection with the issuance and custody of Book-Entry CP Notes.

This letter (the "Agreement") will govern your rights, powers and duties as such depositary, issuing agent and paying agent for the CP Notes and no implied covenants and obligations shall be read into this Agreement or any other agreement against you.

1. Appointment of Agent. The Company hereby appoints you and you hereby agree to act, on the terms and conditions specified herein and in the Letter of Representations and Certificate Agreement, as depositary, issuing and paying agent for the CP Notes. The CP Notes will be sold through such commercial paper dealers and/or placement agents as the Company shall have notified you in writing from time to time (collectively, the "Dealers"). The Dealers currently are Citicorp Securities Markets, Inc. and Goldman Sachs Money Markets, L.P.

2. Supply of CP Notes.

(a) The Company will from time to time furnish to your commercial paper department (the "Commercial Paper Department") located at One World Trade Center, New York, New York 10048-11912, an adequate supply of CP Notes. Certificated CP Notes shall be in substantially the form attached as Exhibit A to this Agreement, shall be serially numbered and shall have been executed by manual or facsimile signature of an Authorized Representative (as hereafter defined), but shall otherwise be uncompleted. Book-Entry CP Notes shall be substantially in the forms attached to the Letter of Representations and shall be represented by one or more master notes ("Master Note" or "Master Notes") which shall be executed by manual or facsimile signature by an Authorized Representative in accordance with the Letter of Representations. Pending receipt of instructions pursuant to this Agreement, you will hold the Certificated CP Notes and Master Note(s) in safekeeping for the account of the Company or DTC, as the case may be, in accordance with your customary practice and the requirements of the Certificate Agreement.

(b) Each Certificated CP Note or Master Note delivered to you shall be accompanied by a letter from the Company, as the case may be, identifying the Certificated CP Note or Master Note(s) transmitted therewith, and you shall acknowledge receipt of such Certificated CP Note(s) or Master Note(s) on the copy of such letter or pursuant to some other form of written receipt deemed appropriate by you at the time of delivery to you of such Certificated CP Note(s) or Master Note(s). Pending the issuance of Certificated CP Notes as provided in Section 4 hereof, all Certificated CP Notes and Master Note(s) delivered to you shall be held by your Commercial Paper Department for the account of the Company or DTC, as the case may be, for safekeeping in accordance with your customary practice and the requirements of the Certificate Agreement.

3. Authorized Representatives.

(a) With the delivery of this Agreement, the Company is furnishing to you, and from time to time thereafter may furnish to you, and shall furnish to you upon your request, certificates ("Incumbency Certificates") of a responsible officer of the Company certifying the incumbency and specimen signatures of officers or agents of the Company authorized to execute CP Notes on behalf of the Company by manual or facsimile signature and/or to take other action hereunder on behalf of the Company (each an "Authorized Representative"); such certificate shall also authorize you to deal with representatives of Goldman Sachs Money Markets, L.P. and Citicorp Securities Markets, Inc., (each a "Dealer Representative"). Until you receive a subsequent incumbency certificate of the Company, you are entitled to rely on the last such certificate delivered to you for purposes of determining the Authorized Representatives. You shall not have any responsibility to the Company to determine by whom or by what means a facsimile signature may have been affixed on the CP Notes, or to determine whether any facsimile or manual signature resembles the specimen signature(s) filed with you by a duly

authorized officer of the Company. Any CP Note bearing the manual or facsimile signature of a person who is an Authorized Representative on the date such signature is affixed shall be binding on the Company after the authentication thereof by you notwithstanding that such person shall have died or shall have otherwise ceased to hold his office on the date such CP Note is countersigned or delivered to you.

(b) Upon your receipt of this Agreement, and from time to time thereafter as you choose, you shall deliver a certificate (a "Certificate of Designation") certifying the incumbency and specimen signatures of your designated signers ("Designated Officers") who are authorized to receipt for and authenticate CP Notes, and deliver CP Notes. Until the Company shall receive a subsequent Certificate of Designation, or unless an Authorized Representative shall have received written notice of the lack of authority of any individual, the Company may rely on the last such Certificate of Designation delivered to it.

4. Completion, Authentication and Delivery of CP Notes.

(a) From time to time during the term of this Agreement and subject to the terms and conditions hereof, and upon your timely receipt of instructions promptly confirmed in written, telecopy or telex instructions or notice transmitted directly to your computers or in such manner as you then employ as your normal business practice (collectively, "Instructions"), not later than 1:00 p.m., New York City time, on a day on which you are open for business (a "Business Day"), from an Authorized Representative or a Dealer Representative, on the date of issuance of any Certificated CP Notes (in the case of instructions from an Authorized Representative, a copy of such instructions shall be sent to the Dealer Representative by said Authorized Representative) you shall withdraw the respective Certificated CP Notes from safekeeping and in accordance with the Instructions so received, take the following actions with respect to each such Certificated CP Note:

i. date each such Certificated CP Note the date of issuance thereof (which shall be a Business Day) and insert the maturity date thereof (provided that the Authorized Representative or Dealer Representative shall ensure that such date is a Business Day and that it shall not be more than 270 days from the date of issue and that the aggregate principal amount of Commercial Paper Notes outstanding shall not exceed $100,000,000) and the face amount (provided that the Authorized Representative or the Dealer Representative shall ensure that such face amount is not less than $250,000) thereof in figures;

ii. authenticate (by countersigning) each such Certificated CP Note in the appropriate space provided thereon; and

iii. deliver in the Borough of Manhattan south of Chambers Street each such Certificated CP Note to the Dealer, or the consignee, if any, designated by such Authorized Representative or Dealer Representative for the account of the Dealer against Payment in immediately available funds of the principal amount of CP Notes.

(b) In the case of Book-Entry CP Notes, from time to time during the term of this Agreement and subject to the terms and conditions hereof, and upon your timely receipt of written, telecopy or telex instructions or notice transmitted directly to your computers or in such a manner as you then employ as your normal business practices, not later than 1:00 p.m., New York City time in the case of Book-Entry CP Notes, on a Business Day, from an Authorized Representative or a Dealer Representative, on the date of issuance of any Book-Entry CP Notes (in the case of instructions from an Authorized Representative, a copy of such instructions shall be sent to the Dealer Representative by said Authorized Representative) you shall give issuance instructions for the issuance of Book-Entry CP Notes to DTC in a manner set forth in, and take other actions as are required by, the Letter of Representations and the Certificate Agreement. Instructions for the issuance of Book-Entry CP Notes shall include the following information with respect to each Book-Entry CP Note:

i. the date of issuance of each such Book-Entry CP Note (which shall be a Business Day);

ii. the maturity date of each such Book-Entry CP Note (provided that the Authorized Representative or Dealer Representative shall ensure that such date is a Business Day and that it shall not be more than 270 days from the date of issue); and

iii. the face amount (provided that the Authorized Representative or the Dealer Representative shall ensure that such face amount is not less than $250,000) in figures.

(c) You shall send a report (by telecopy or other means permitted hereunder) to the Company on a monthly basis of your issuance of CP Notes under this Section 4, including the maturity date and face amounts of each CP Note issued.

(d) Instructions given must be received by you by 1:00 p.m. for physical issuance and 1:00 p.m. for book-entry issuance, New York time, if the CP Note(s) are to be delivered the same day. Telephone instructions shall be confirmed in writing the same day.

(e) The Company understands that although you have been instructed to deliver CP Notes against payment, delivery of CP Notes may, in accordance with the custom prevailing in the commercial paper market, be made before receipt of payment in immediately available funds. Therefore, once you have delivered a CP Note to a Dealer or its agent as provided herein, the Company shall bear the risk that a Dealer or its agent fails to remit payment for the CP Note to you. You shall have no liability to the Company for any failure or inability on the part of the Dealer to make payment for CP Notes. Nothing in this Agreement shall require you to purchase any CP Note or expend your own funds for the purchase price of a CP Note or CP Notes.

(f) Except as may otherwise be provided in the Letter of Representations, if at any time the Company instructs you to cease issuing Certificated CP Notes and to issue only

Book-Entry CP Notes, you agree that all CP Notes will be issued as Book-Entry CP Notes and that no Certificated CP Notes shall be exchanged for Book-Entry CP Notes unless and until you have received written instructions from an Authorized Representative (any such instructions from a Dealer Representative shall not be sufficient for this purpose) to the contrary.

(g) It is understood that you are not under any obligation to assess or review the financial condition or credit worthiness of any person to or for whose account you deliver a CP Note pursuant to instructions from an Authorized Representative or Dealer Representative or to advise the Company as to the results of any such appraisal or investigation you may have conducted on your own or of any adverse information concerning any such person that may in any way have come to your attention.

(h) It is understood that DTC may request the delivery of Certificated CP Notes in exchange for Book-Entry CP Notes upon the termination of DTC's services pursuant to the DTC Letter of Representations. Accordingly, upon such termination, you are authorized to complete and deliver Certificated CP Notes in partial or complete substitution for Book-Entry CP Notes of the same face amount and maturity as requested by DTC. Upon the completion or delivery of any such Certificated CP Note, you shall annotate your records regarding the Master Note with respect to such Book-Entry CP Notes to reflect a corresponding reduction in the face amount of the outstanding Book-Entry CP Notes. Your authority to so complete and deliver such Certificated CP Notes shall be irrevocable at all times from the time a Book-Entry CP Note is purchased until the indebtedness evidenced thereby is paid in full.

(i) If you shall receive Instructions (confirmed in writing in accordance with this Agreement) from the Company not to issue or deliver CP Notes, until revoked in writing or superseded by further written instructions from the Company, you shall not issue or deliver CP Notes, provided, however, that, notwithstanding contrary instructions from the Company, you shall be required to deliver CP Notes in respect of agreements for the sale of CP Notes concluded by an Authorized Representative or Dealer Representative prior to receipt by the Authorized Representative or Dealer Representative of notice of such instructions from the Company, which the Authorized Representative or Dealer Representative shall be required to confirm to you in writing prior to your delivery of the CP Notes. For purposes of this Section (i), you may rely on written notice given or delivered to you by an Authorized Representative or Dealer Representative as to whether any particular CP Notes are to be issued in respect of such agreements concluded by such Authorized Representative or Dealer Representative, and you shall have no obligation to make any other or further investigation.

5. Proceeds of Sale of the CP Notes. Contemporaneously with the execution and delivery of this Agreement, and for the purposes of this Agreement, you will establish an account designated as the Coca-Cola Bottling Co. Consolidated Note Account in the Company's name (the "Note Account"). On each day on which a Dealer or its agent receives CP Notes (whether through the facilities of DTC in the manner set forth in the Letter of Representations or by delivery in accordance with the provisions of this Agreement), all proceeds received by you in connection with such sale shall be credited in immediately available funds to the Note

Account. From time to time, upon written instructions received by you from an Authorized Representative, you agree to transfer immediately available funds from the Note Account to any bank or trust company in the United States for the Company's account.

6. Payment of Matured CP Notes.

(a) By 1:00 p.m., New York Time, on the date that any CP Notes are scheduled to mature, there shall have been transferred to you for deposit in the Note Account immediately available funds at least equal to the amount of CP Notes maturing on such date. When any matured CP Note is presented to you for payment by the holder thereof (which may, in the case of Book-Entry CP Notes held by you pursuant to the Certificate Agreement, be DTC or a nominee of DTC), payment shall be made from and charged to the Note Account to the extent funds are available in said account.

(b) Each CP Note presented to you for payment at or prior to 3:00 p.m., New York City time, on any Business Day at or after the maturity date of such CP Note shall be paid by you on the same day as such presentation (or if presented after 3:00 p.m., New York City time on any such Business Day, then on the next succeeding Business Day) to the extent of funds available in the Note Account. Upon payment by you as aforesaid, you shall mark Certificated CP Note(s) presented as paid, destroy such Certificated CP Note(s) and deliver to the Company from time to time a destruction certificate identifying all Certificated CP Notes destroyed since the issuance of the prior destruction certificate. After payment of any matured Book-Entry CP Note, you shall annotate your records to reflect the face amount of Book-Entry CP Notes outstanding in accordance with the Letter of Representations.

7. Representations and Warranties of the Company. The Company hereby warrants and represents to you, and, each request to issue CP Notes shall constitute the Company's continuing warranty and representation, as follows:

(a) This Agreement is, and all CP Notes delivered to you pursuant to this Agreement will be, duly authorized, executed and delivered by the Company.

(b) The issuance and delivery of the CP Notes will not violate any state or Federal law and the CP Notes do not require registration under the Securities Act of 1933, as amended.

(c) This Agreement constitutes and the CP Notes, when completed, countersigned, and delivered pursuant hereto, will constitute, the Company's legal, valid and binding obligations enforceable against the Company in accordance with their terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the rights of creditors generally and by general principles of equity.

(d) The Company is a corporation duly organized and validly existing under the laws of Delaware and no liquidation, dissolution, bankruptcy, windup or similar proceedings have been instituted with respect to the Company.

(e) The Company has, and at all relevant times has had, all necessary power and authority to execute, deliver and perform this Agreement and to issue the CP Notes.

(f) All actions on the part of the Company which are required for the authorization of the issuance of the CP Notes and for the authorization, execution, delivery and performance of this Agreement do not require the approval or consent of any holder or trustee of any indebtedness or obligations of the Company.

(g) The issuance of CP Notes by the Company (i) does not and will not contravene any provision of any governmental law, regulation or rule applicable to the Company, and (ii) does not and will not conflict with, breach or contravene the provisions of any contract or other instrument binding upon the Company.

8. Reliance on Instructions. Except as otherwise set forth herein, you shall incur no liability to the Company in acting hereunder upon telephonic or other instructions or notices contemplated hereby which you reasonably believed in good faith to have been given by an Authorized Representative or a Dealer Representative, as the case may be. In the event a discrepancy exists with respect to such instructions, the telephonic instructions as recorded by you will be deemed the controlling and proper instructions, unless such instructions are required by this Agreement to be in writing or have not been recorded by you as contemplated by the next sentence. It is understood that all telephonic instructions may be recorded by you and the Company hereby consents to such recording.

9. Cancellation of CP Notes. You will in due course cancel Certificated CP Note(s) presented for payment, destroy such Certificated CP Note(s) and from time to time deliver a destruction certificate to the Company. After payment of any matured Book-Entry CP Note, you shall annotate your records to reflect the face amount of Book-Entry CP Notes outstanding in accordance with the Letter of Representations. Promptly upon the written request of the Company, you agree to cancel and return to the Company all unissued Certificated CP Notes in your possession at the time of such request.

10. Notices; Addresses.

(a) All communications by or on behalf of the Company or a Dealer, by telephone or otherwise, relating to the completion, delivery or payment of the CP Note(s) are to be directed to your Commercial Paper Department.

(b) Notices and other communications hereunder shall (except to the extent otherwise expressly provided) be in writing (which may be by facsimile) and shall be addressed as follows, or to such other address as the party receiving such notice shall have previously specified to the party sending such notice:

if to the Company, at:

Coca-Cola Bottling Co. Consolidated
1900 Rexford Road
Charlotte, NC 28211
Attention: Treasury Department
Facsimile No.: (704) 551-4451
Telephone No.: (704) 551-4633

concerning daily issuance of
CP Notes and all other matters
if to you at:

Bank America National Trust Company
One World Trade Center
New York, New York 10048-1191
Attention: Corporate Trust
Division/Commercial Paper Department
Facsimile No.: (212) 390-3144

concerning daily issuance of
CP Notes and all other matters.

(c) In any case where it is provided in this Agreement that a copy of any instruction, demand or other notice is to be delivered to a Dealer, such copy shall be delivered to the Dealer at the address set forth below by the same means as the original thereof shall have been given, provided that the failure of such copy to be given to any Dealer shall not invalidate or adversely affect the original thereof:

Dealer:

Citicorp Securities Markets, Inc.
399 Park Avenue - 7th Floor, Zone 3
New York, NY 10043
Attention: Don Donahue

Goldman Sachs Money Markets, L.P.
85 Broad Street
New York, NY 10004
Attention: Susan Dowling

Notices shall be deemed delivered when received at the address specified above. For purposes of this Section 10, "when received" shall mean actual receipt (i) of an electronic communication by a telex machine, telecopier or issuance system specified in or pursuant to this agreement; or (ii) of an oral communication by any person answering the telephone in the office of the individual or department specified in or pursuant to this Agreement; or (iii) of a written communication hand-delivered at the office specified in or pursuant to this Agreement.

11. Liability. Neither you nor your officers, employees or agents shall be liable for any act or omission hereunder, except in the case of gross negligence or willful misconduct as described in Section 12 herein. Your duties and obligations and those of your officers and employees shall be determined by the express provisions of this Agreement, the Letter of Representations and the Certificate Agreement (including the documents referred to therein), and you and your officers, employees and agents shall be responsible for the performance of only such duties and obligations as are specifically set forth herein and therein, and no implied covenants shall be read into any such document against you or your officers, employees or agents. Neither you nor your officers, employees or agents shall be required to ascertain whether any issuance or sale of CP Note(s) (or any amendment or termination of this Agreement) has been duly authorized or is in compliance with any other agreement, ordinance, resolution or other undertaking or document to which the Company is a party or by which it or its property may be bound (whether or not you are a party to such other agreement).

12. Indemnity. The Company hereby agrees to indemnify and hold you, your employees and any of your officers and agents harmless, from and against, and you shall not be liable for, any and all losses, liabilities (including liabilities for penalties), actions, suits, judgments, demands, damages, costs and expenses of any nature (including, without limitation, interest and reasonable attorneys' fees, expenses, and the allocable costs of in-house legal services) arising out of or resulting from the exercise of your rights and/or the performance of your duties (or those of your agents and employees) hereunder; provided, however, that the Company shall not be liable to indemnify or pay you with respect to any loss, liability, action, suit, judgment, demand, damage, cost or expense that results from or is attributable to your gross negligence or willful misconduct or that of your officers or employees. The foregoing indemnity includes, but is not limited to, any action taken or omitted to be taken by you upon telex, telephonic or other electronically transmitted instructions (authorized herein) received by you from, or believed by you in good faith to have been given by, the proper person or persons. The provisions of this Section 12 shall survive (i) your resignation or removal hereunder and (ii) the termination of this Agreement.

13. Termination.

(a) This Agreement may be terminated at any time by either you or the Company by 15 days' prior written notice to the other, provided that you agree to continue acting as issuing and paying agent hereunder until such time as your successor has been selected and has entered into an agreement with the Company to that effect. Such termination shall not affect the

respective liabilities of the parties hereunder arising prior to such termination.

(b) If no successor has been appointed within 30 days of such notice, you shall have the right to petition a court of competent jurisdiction for the appointment of a successor issuing and paying agent. You shall be reimbursed for any and all expenses in connection with any such petition and appointment.

(c) On the Business Day following the date of termination of this Agreement, you shall destroy all Certificated CP Notes in your possession (or at the request of the Company, transfer the Notes to the Successor Issuing and Paying Agent), and shall transfer to the Company all funds, if any, then on deposit in the Note Account. You shall promptly notify the Company of all Certificated CP Notes so destroyed.

14. Amendments and Modifications. No amendment, modification or waiver of any provision of this Agreement, nor any consent to any departure by any party from any provision hereof binding upon such party, shall be effective unless the same shall be in writing and signed by all the parties hereto.

15. Binding Effect; Assignment. This Agreement shall be binding upon and inure to the benefit of the parties hereto, their respective successors, including successors by merger, and assigns; provided, however, that no party hereto may assign any of its rights or obligations hereunder, except with the prior written consent of all the other parties hereto.

16. GOVERNING LAW.

(a) THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND PERFORMED IN THE STATE OF NEW YORK.

(b) Each party irrevocably and unconditionally submits to the exclusive jurisdiction of the United States Federal courts located in the Borough of Manhattan and the courts of the State of New York located in the Borough of Manhattan.

17. Execution in Counterparts. This Agreement may be executed in any number of counterparts; each counterpart, when so executed and delivered, shall be deemed to be an original; and all of which counterparts, taken together, shall constitute one and the same agreement.

18. Headings. Section headings used in this Agreement are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

19. Compensation and Expenses. The Company shall pay you from time to time following the execution of this Depositary Agreement reasonable compensation for all services

rendered by you hereunder as agreed between you and the Company. The Company shall reimburse you upon your request for all reasonable expenses, disbursements and advances incurred or made by you in accordance with any provision of this Agreement (including the reasonable compensation and the expenses and disbursements of your agents, counsel and allocated costs of in-house counsel) except any expense or disbursement attributable to your gross negligence or willful misconduct.

20. Miscellaneous.

(a) No provision of this Agreement shall require you to risk your own funds or otherwise incur any financial liability in the performance of any of your duties hereunder or in the exercise of any of your duties hereunder or in the exercise of any of your rights and powers hereunder.

(b) You may consult with counsel, and any written opinion of such counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted to be taken by you, in the absence of bad faith, gross negligence or willful misconduct on your part, in reliance on such advice or opinion.

(c) You make no representation as to, and shall have no responsibility for, the correctness of any statement contained in, or the validity or sufficiency of, this Agreement or any documents or instruments referred to in this Agreement or as to or for the validity or collectibility of any obligation contemplated by this Agreement. You shall not be accountable for the use or application by any person of disbursements properly made by you in conformity with the provisions of this Agreement.

(d) You may rely and shall be protected in acting upon any document or writing presented to you hereunder and reasonably believed by you to be genuine and to have been signed and presented by an authorized person or persons.

If the foregoing is acceptable to you, please indicate your agreement therewith by signing one or more counterparts of this Agreement in the space provided below, and returning such signed counterpart(s) to the Company, whereupon this letter when signed by you and the Company, will become a binding agreement among us.

Coca-Cola Bottling Co.
Consolidated

By: Brenda B. Jackson
Its: Vice President & Treasurer

Agreed to and Accepted

this 30th day of September, 1994.

BANKAMERICA NATIONAL TRUST COMPANY
as Issuing and Paying Agent

By: Mary LaGumina
Its: Trust Officer

COCA-COLA BOTTLING CO. CONSOLIDATED

1995 ANNUAL BONUS PLAN

PURPOSE

The purpose of the bonus plan is to provide additional incentive to officers and employees of the Company in key positions.

PLAN ADMINISTRATION

The plan will be administered by the Compensation Committee as elected by the Board of Directors. 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. All determinations and interpretations of the Committee will be binding upon the Company and each participant.

PLAN GUIDELINES

ELIGIBILITY: The Compensation 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 Compensation 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
   (a) Corporate goals set for the fiscal year.
   (b) Division/Manufacturing Center goals or individual goals set for the fiscal year.
   (c) The Compensation Committee may, in its sole discretion, amend or eliminate any individual award.
2. The gross amount of the award will be specified as a percentage of base salary of the participant and will be determined on the following basis:

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

3. The total cash award to the participant will be computed as follows:
   Gross Cash Award = Base Salary X approved bonus % X the indexed performance factor X overall goal achievement factor.
4. The Compensation Committee will review and approve all awards. The Committee has full and final authority in its discretion to determine the actual gross amount to be paid to participants. The gross amount will be subject to all local, state and federal minimum tax withholding requirements.

5. 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 Compensation Committee, provided the participant has been employed a minimum of three (3) months during the calendar year.
6. 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 notification from the Company's independent auditors of the final results of operations for the fiscal year. The Compensation Committee is authorized to establish an earlier payment date based on unaudited preliminary results.

SPECIAL AWARD PROVISION: Management may wish to recognize outstanding performances by individuals who may or may not be in eligible positions to receive an award. Management may recommend awards for such individuals, and the Compensation Committee is authorized to make such awards.

AMENDMENTS, MODIFICATIONS AND TERMINATION
The Compensation Committee is authorized to amend, modify or terminate the plan retroactively at any time, in part or in whole.

EXHIBIT 10.83

Coca-Cola Bottling Co. Consolidated

$400,000,000 Medium-Term Notes, Series B
Due More Than Nine Months
From Date of Issue

Selling Agency Agreement

March 3, 1995
New York, New York

Salomon Brothers Inc
Seven World Trade Center
New York, N.Y. 10048

Citicorp Securities, Inc.
399 Park Avenue
New York, N.Y. 10043

Dear Sirs:

Coca-Cola Bottling Co. Consolidated, a Delaware corporation (the "Company"), confirms its agreement with each of you with respect to the issue and sale by the Company of up to $400,000,000 aggregate principal amount of its Medium-Term Notes, Series B, Due More Than Nine Months from Date of Issue (the "Notes"). The Notes will be issued under an indenture dated as of July 20, 1994, as supplemented by a supplemental indenture dated as of March 3, 1995 (as supplemented, the "Indenture"), between the Company and NationsBank of Georgia, National Association, as trustee (the "Trustee"). Unless otherwise specifically provided for and set forth in a Pricing Supplement (as defined below), the Notes will be issued in minimum denominations of $1,000 and in denominations exceeding such amount by integral multiples of $1,000, will be issued only in fully registered form and will have the interest rates, maturities and, if applicable, other terms set forth in such Pricing Supplement. The Notes will be issued, and the terms thereof established, in accordance with the Indenture and the Medium- Term Notes Administrative Procedures attached hereto as Exhibit A (the "Procedures") (unless a Terms Agreement (as defined in Section 2(b)) modifies or otherwise supersedes such Procedures with respect to the Notes issued pursuant to such Terms Agreement). The Procedures may be amended only by written agreement of the Company and you after notice to, and with the approval of, the Trustee. For the purposes of this

Agreement, the term "Agent" shall refer to any of you acting solely in the capacity as agent for the Company pursuant to Section 2(a) and not as principal (collectively, the "Agents"), the term "Purchaser" shall refer to one of you acting solely as principal pursuant to Section 2(b) and not as agent, and the term "you" shall refer to you collectively whether at any time any of you is acting in both such capacities or in either such capacity. In acting under this Agreement, in whatever capacity, each of you is acting individually and not jointly.

1. Representations and Warranties. The Company represents and warrants to, and agrees with, you as set forth below in this Section 1. Certain terms used in this Section 1 are defined in paragraph (d) hereof.

(a) The Company meets the requirements for use of Form S-3 under the Securities Act of 1933 (the "Act"), and has filed with the Securities and Exchange Commission (the "Commission") a registration statement on such Form (File Number: 33-54657), including a basic prospectus, which has become effective, for the registration under the Act of $400,000,000 aggregate initial offering price of securities (the "Securities"), including the Notes. Such registration statement, as amended at the date of this Agreement, meets the requirements set forth in Rule 415(a)(1)(ix) or (x) under the Act and complies in all other material respects with said Rule. The Company has included in such registration statement, or has filed or will file with the Commission pursuant to the applicable paragraph of Rule 424(b) under the Act, a supplement to the form of prospectus included in such registration statement relating to the Notes and the plan of distribution thereof (the "Prospectus Supplement"). In connection with the sale of Notes, the Company proposes to file with the Commission pursuant to the applicable paragraph of Rule 424(b) under the Act further supplements to the Prospectus Supplement (each a "Pricing Supplement") specifying the interest rates, maturity dates and, if appropriate, other similar terms of the Notes sold pursuant hereto or the offering thereof.

(b) As of the Execution Time, on the Effective Date, when any supplement to the Prospectus is filed with the Commission, as of the date of a Terms Agreement and at the date of delivery by the Company of any Notes sold hereunder (a "Closing Date"), (i) the Registration Statement, as amended as of any such time, the Prospectus and the Indenture will comply in all mater-

ial respects with the applicable requirements of the Act, the Trust Indenture Act of 1939 (the "Trust Indenture Act") and the Securities Exchange Act of 1934 (the "Exchange Act") and the respective rules thereunder; (ii) the Registration Statement, as amended as of any such time, did not or will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein not misleading; and (iii) the Prospectus will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that the Company makes no representations or warranties as to (i) that part of the Registration Statement which shall constitute the Statement of Eligibility and Qualification (Form T-1) under the Trust Indenture Act of the Trustee or (ii) the information contained in or omitted from the Registration Statement or the Prospectus (or any supplement thereto) in reliance upon and in conformity with information furnished in writing to the Company by any of you specifically for inclusion in the Registration Statement or the Prospectus.

(c) As of the time any Notes are issued and sold hereunder, the Indenture will constitute a legal, valid and binding instrument enforceable against the Company in accordance with its terms and such Notes will have been duly authorized, executed, authenticated and, when paid for by the purchasers thereof, will constitute legal, valid and binding obligations of the Company entitled to the benefits of the Indenture.

(d) The terms which follow, when used in this Agreement, shall have the meanings indicated. The term "the Effective Date" shall mean the date on which the Execution Time occurs and each date that the Registration Statement and any post-effective amendment or amendments thereto became or become effective and each date after the date hereof on which a document incorporated by reference in the Registration Statement is filed. "Execution Time" shall mean the date and time that this Agreement is executed and delivered by the parties hereto. "Basic Prospectus" shall mean the form of basic prospectus relating to the Securities contained in the Registration Statement at the Effective Date. "Prospectus" shall mean the Basic Prospectus as supplemented by one or more Prospectus

Supplements and Pricing Supplements. "Registration Statement" shall mean the registration statement referred to in paragraph (a) above, including incorporated documents, exhibits and financial statements, as amended at the Execution Time. "Rule 415" and "Rule 424" refer to such rules under the Act. Any reference herein to the Registration Statement, the Basic Prospectus, the Prospectus Supplements or the Prospectus shall be deemed to refer to and include the documents incorporated by reference therein pursuant to Item 12 of Form S-3 which were filed under the Exchange Act on or before the Effective Date of the Registration Statement or the issue date of the Basic Prospectus, the Prospectus Supplements, the Pricing Supplements or the Prospectus, as the case may be; and any reference herein to the terms "amend", "amendment" or "supplement" with respect to the Registration Statement, the Basic Prospectus, the Prospectus Supplements, the Pricing Supplements or the Prospectus shall be deemed to refer to and include the filing of any document under the Exchange Act after the Effective Date of the Registration Statement or the issue date of the Basic Prospectus, the Prospectus Supplements, the Pricing Supplements or the Prospectus, as the case may be, deemed to be incorporated therein by reference.

2. Appointment of Agents; Solicitation by the Agents of Offers to Purchase; Sales of Notes to a Purchaser. (a) Subject to the terms and conditions set forth herein, the Company hereby authorizes each of the Agents to act as its agent to solicit offers for the purchase of all or part of the Notes from the Company.

On the basis of the representations and warranties, and subject to the terms and conditions set forth herein, each of the Agents agrees, as agent of the Company, to use its reasonable efforts to solicit offers to purchase the Notes from the Company upon the terms and conditions set forth in the Prospectus and in the Procedures. Each Agent shall make reasonable efforts to assist the Company in obtaining performance by each purchaser whose offer to purchase Notes has been solicited by such Agent and accepted by the Company, but such Agent shall not, except as otherwise provided in this Agreement, be obligated to disclose the identity of any purchaser or have any liability to the Company in the event any such purchase is not consummated for any reason. Except as provided in Section 2(b), under no circumstances will any Agent be obligated to purchase any Notes for its own account. It is

understood and agreed, however, that any Agent may purchase Notes as principal pursuant to Section 2(b).

The Company reserves the right, in its sole discretion, to instruct the Agents to suspend at any time, for any period of time or permanently, the solicitation of offers to purchase Notes. Upon receipt of instructions from the Company, the Agents will forthwith suspend solicitation of offers to purchase Notes from the Company until such time as the Company has advised them that such solicitation may be resumed.

The Company agrees to pay each Agent a commission, on the Closing Date with respect to each sale of Notes by the Company as a result of a solicitation made by such Agent, in an amount equal to that percentage specified in Schedule I hereto of the aggregate principal amount of the Notes sold by the Company. Such commission shall be payable as specified in the Procedures.

Subject to the provisions of this Section and to the Procedures, offers for the purchase of Notes may be solicited by an Agent as agent for the Company at such time and in such amounts as such Agent deems advisable. The Company may from time to time offer Notes for sale otherwise than through an Agent; provided, however, that so long as this Agreement is in effect and has not been terminated in accordance with Section 9 hereof, the Company shall not solicit or accept offers to purchase Notes through any agent other than an Agent.

If the Company shall default in its obligations to deliver Notes to a purchaser whose offer it has accepted, the Company shall indemnify and hold each of you harmless against any loss, claim or damage arising from or as a result of such default by the Company.

(b) Subject to the terms and conditions stated herein, whenever the Company and any of you determine that the Company shall sell Notes directly to any of you as principal, each such sale of Notes shall be made in accordance with the terms of this Agreement and a supplemental agreement relating to such sale. Each such supplemental agreement (which may be either an oral or written agreement) is herein referred to as a "Terms Agreement". Each Terms Agreement shall describe the Notes to be purchased by the Purchaser pursuant thereto and shall specify the aggregate principal amount of such Notes, the price to be paid to the Company for such Notes, the maturity date of such Notes, the rate at which interest will be paid on such Notes, the dates

on which interest will be paid on such Notes and the record date with respect to each such payment of interest, the Closing Date for the purchase of such Notes, the place of delivery of the Notes and payment therefor, the method of payment and any requirements for the delivery of opinions of counsel, certificates from the Company or its officers or a letter from the Company's independent public accountants as described in Section 6(b). Any such Terms Agreement may also specify the period of time referred to in Section 4(m). Any written Terms Agreement may be in the form attached hereto as Exhibit B. The Purchaser's commitment to purchase Notes shall be deemed to have been made on the basis of the representations and warranties of the Company herein contained and shall be subject to the terms and conditions herein set forth.

Delivery of the certificates for Notes sold to the Purchaser pursuant to a Terms Agreement shall be made not later than the Closing Date agreed to in such Terms Agreement, against payment of funds to the Company in the net amount due to the Company for such Notes by the method and in the form set forth in the Procedures unless otherwise agreed to between the Company and the Purchaser in such Terms Agreement.

Unless otherwise agreed to between the Company and the Purchaser in a Terms Agreement, any Note sold to a Purchaser (i) shall be purchased by such Purchaser at a price equal to 100% of the principal amount thereof less a percentage equal to the commission applicable to an agency sale of a Note of identical maturity and (ii) may be resold by such Purchaser at varying prices from time to time or, if set forth in the applicable Terms Agreement and Pricing Supplement, at a fixed public offering price. No additional commission shall be paid by the Company to a Purchaser or to any other person in connection with any resale of Notes. In connection with any resale of Notes purchased, a Purchaser may use a selling or dealer group and may reallow to any broker or dealer any portion of the discount or commission payable pursuant hereto.

3. Offering and Sale of Notes. Each Agent and the Company agree to perform the respective duties and obligations specifically provided to be performed by them in the Procedures.

4. Agreements. The Company agrees with you that: (a) Prior to the termination of the offering of the Notes (including by way of resale by a Purchaser of Notes), the Company will not file any amendment of the Registration Statement or supplement to the Prospectus (except for (i) periodic or current reports filed under the Exchange Act, (ii) a supplement relating to any offering of Notes providing solely for the specification of or a change in the maturity dates, interest rates, issuance prices or other similar terms of any Notes or (iii) a supplement relating to an offering of Securities other than the Notes) unless the Company has furnished each of you a copy for your review prior to filing and given each of you a reasonable opportunity to comment on any such proposed amendment or supplement. Subject to the foregoing sentence, the Company will cause each supplement to the Prospectus to be filed with the Commission pursuant to the applicable paragraph of Rule 424(b) within the time period prescribed and will provide evidence satisfactory to you of such filing. The Company will promptly advise each of you (i) when the Prospectus, and any supplement thereto, shall have been filed with the Commission pursuant to Rule 424(b), (ii) when, prior to termination of any offering of Notes, any amendment of the Registration Statement shall have been filed or become effective, (iii) of any request by the Commission for any amendment of the Registration Statement or supplement to the Prospectus or for any additional information, (iv) of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or the institution or threatening of any proceeding for that purpose and (v) of the receipt by the Company of any notification with respect to the suspension of the qualification of the Notes for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose. The Company will use its best efforts to prevent the issuance of any such stop order and, if issued, to obtain as soon as possible the withdrawal thereof.

(b) If, at any time when a prospectus relating to the Notes is required to be delivered under the Act, any event occurs as a result of which the Prospectus as then supplemented would include any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, or if it shall be necessary to amend the

Registration Statement or to supplement the Prospectus to comply with the Act or the Exchange Act or the respective rules thereunder, the Company promptly will (i) notify each of you to suspend solicitation of offers to purchase Notes (and, if so notified by the Company, each of you shall forthwith suspend such solicitation and cease using the Prospectus as then supplemented), (ii) prepare and file with the Commission, subject to the first sentence of paragraph (a) of this Section 4, an amendment or supplement which will correct such statement or omission or effect such compliance and (iii) supply any supplemented Prospectus to each of you in such quantities as you may reasonably request. If such amendment or supplement, and any documents, certificates and opinions furnished to each of you pursuant to paragraph (g) of this Section 4 in connection with the preparation or filing of such amendment or supplement are satisfactory in all respects to you, you will, upon the filing of such amendment or supplement with the Commission and upon the effectiveness of an amendment to the Registration Statement, if such an amendment is required, resume your obligation to solicit offers to purchase Notes hereunder.

(c) The Company, during the period when a prospectus relating to the Notes is required to be delivered under the Act, will file promptly all documents required to be filed with the Commission pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act and will furnish to each of you copies of such documents. In addition, on or prior to the date on which the Company makes any announcement to the general public concerning earnings or concerning any other event which is required to be described, or which the Company proposes to describe, in a document filed pursuant to the Exchange Act, the Company will furnish to each of you the information contained or to be contained in such announcement (subject, in the case of non-public information, to your agreement to take all reasonable steps to preserve the confidentiality of such information until it is publicly released). The Company also will furnish to each of you copies of all material press releases or announcements furnished to news or wire services and any other material press releases and announcements. The Company will immediately notify each of you of (i) any decrease in the rating of the Notes or any other debt securities of the Company by any "nationally recognized statistical rating organization" (as defined for purposes of

Rule 436(g) under the Act) or (ii) any notice given of any intended or potential decrease in any such rating or of a possible change in any such rating that does not indicate the direction of the possible change, as soon as the Company learns of any such decrease or notice (subject, in the case of non-public information, to your agreement to take all reasonable steps to preserve the confidentiality of such information until it is publicly released).

(d) As soon as practicable, the Company will make generally available to its security holders and to each of you an earnings statement or statements of the Company and its subsidiaries which will satisfy the provisions of Section 11(a) of the Act and Rule 158 under the Act.

(e) The Company will furnish to each of you and your counsel, without charge, copies of the Registration Statement (including exhibits thereto) and, so long as delivery of a prospectus may be required by the Act, as many copies of the Prospectus and any supplement thereto as you may reasonably request.

(f) The Company will arrange for the qualification of the Notes for sale under the laws of such jurisdictions as any of you may designate, will maintain such qualifications in effect so long as required for the distribution of the Notes, and will arrange for the determination of the legality of the Notes for purchase by institutional investors; provided, however, that, in connection therewith, the Company will not be required to (i) qualify generally to do business in any jurisdiction where it is not then so qualified, (ii) subject itself to taxation in any such jurisdiction or (iii) consent to general service of process in any such jurisdiction where it is not then so subject.

(g) The Company shall furnish to each of you such information, documents, certificates of officers of the Company and opinions of counsel for the Company relating to the business, operations and affairs of the Company, the Registration Statement, the Prospectus, and any amendments thereof or supplements thereto, the Indenture, the Notes, this Agreement, the Procedures and the performance by the Company and you of its and your respective obligations hereunder and thereunder as any of you may from time to time and at any time prior

to the termination of this Agreement reasonably request.

(h) The Company shall, whether or not any sale of the Notes is consummated, (i) pay all expenses incident to the performance of its obligations under this Agreement and any Terms Agreement, including the fees and disbursements of its accountants and counsel, the cost of printing or other production and delivery of the Registration Statement, the Prospectus, all amendments thereof and supplements thereto, the Indenture, this Agreement, any Terms Agreement and all other documents relating to the offering, the cost of preparing, printing, packaging and delivering the Notes, the fees and disbursements, including fees of counsel, incurred in compliance with Section 4(f), the fees and disbursements of the Trustee and the fees of any agency that rates the Notes, (ii) reimburse each of you as requested for all out-of-pocket expenses (including without limitation advertising expenses), if any, incurred by you in connection with this Agreement and (iii) pay the fees and expenses of your counsel incurred in connection with this Agreement.

(i) Each acceptance by the Company of an offer to purchase Notes will be deemed to be an affirmation that its representations and warranties contained in this Agreement are true and correct at the time of such acceptance, as though made at and as of such time, and a covenant that such representations and warranties will be true and correct at the time of delivery to the purchaser of the Notes relating to such acceptance, as though made at and as of such time (it being understood that for purposes of the foregoing affirmation and covenant such representations and warranties shall relate to the Registration Statement and Prospectus as amended or supplemented at each such time). Each such acceptance by the Company of an offer for the purchase of Notes shall be deemed to constitute an additional representation, warranty and agreement by the Company that, as of the settlement date for the sale of such Notes, after giving effect to the issuance of such Notes, of any other Notes to be issued on or prior to such settlement date and of any other Securities to be issued and sold by the Company on or prior to such settlement date, the aggregate amount of Securities (including any Notes) which have been issued and sold by the Company will not exceed the amount of Securities registered pursuant to the Registration Statement. The Company will inform you promptly upon your request of

the aggregate amount of Securities registered under the Registration Statement which remain unsold.

(j) Each time that the Registration Statement or the Prospectus is amended or supplemented (other than by an amendment or supplement relating to any offering of Securities other than the Notes or providing solely for the specification of or a change in the maturity dates, the interest rates, the issuance prices or other similar terms of any Notes sold pursuant hereto), the Company will deliver or cause to be delivered promptly to each of you a certificate of the Company, signed by any two of the principal financial officer, the treasurer or the principal accounting officer of the Company, dated the date of the effectiveness of such amendment or the date of the filing of such supplement, in form reasonably satisfactory to you, of the same tenor as the certificate referred to in Section 5(d) but modified to relate to the last day of the fiscal quarter for which financial statements of the Company were last filed with the Commission and to the Registration Statement and the Prospectus as amended and supplemented to the time of the effectiveness of such amendment or the filing of such supplement.

(k) Each time that the Registration Statement or the Prospectus is amended or supplemented (other than by an amendment or supplement (i) relating to any offering of Securities other than the Notes, (ii) providing solely for the specification of or a change in the maturity dates, the interest rates, the issuance prices or other similar terms of any Notes sold pursuant hereto or (iii) setting forth or incorporating by reference financial statements or other information as of and for a fiscal quarter, unless, in the case of clause (iii) above, in the reasonable judgment of any of you, such financial statements or other information are of such a nature that an opinion of counsel should be furnished), the Company shall furnish or cause to be furnished promptly to each of you a written opinion of counsel of the Company satisfactory to each of you, dated the date of the effectiveness of such amendment or the date of the filing of such supplement, in form satisfactory to each of you, of the same tenor as the opinion referred to in Section 5(b) but modified to relate to the Registration Statement and the Prospectus as amended and supplemented to the time of the effectiveness of such amendment or the filing of such supplement or, in lieu of such opinion, counsel last furnishing such an opinion to you may furnish each of

you with a letter to the effect that you may rely on such last opinion to the same extent as though it were dated the date of such letter authorizing reliance (except that statements in such last opinion will be deemed to relate to the Registration Statement and the Prospectus as amended and supplemented to the time of the effectiveness of such amendment or the filing of such supplement).

(l) Each time that the Registration Statement or the Prospectus is amended or supplemented to include or incorporate amended or supplemental financial information, the Company shall cause its independent public accountants promptly to furnish each of you a letter, dated the date of the effectiveness of such amendment or the date of the filing of such supplement, in form satisfactory to each of you, of the same tenor as the letter referred to in Section 5(e) with such changes as may be necessary to reflect the amended and supplemental financial information included or incorporated by reference in the Registration Statement and the Prospectus, as amended or supplemented to the date of such letter; provided, however, that, if the Registration Statement or the Prospectus is amended or supplemented solely to include or incorporate by reference financial information as of and for a fiscal quarter, the Company's independent public accountants may limit the scope of such letter, which shall be satisfactory in form to each of you, to the unaudited financial statements, the related "Management's Discussion and Analysis of Financial Condition and Results of Operations" and any other information of an accounting, financial or statistical nature included in such amendment or supplement, unless, in the reasonable judgment of any of you, such letter should cover other information or changes in specified financial statement line items.

(m) During the period, if any, specified (whether orally or in writing) in any Terms Agreement, the Company shall not, without the prior consent of the Purchaser thereunder, offer, sell or contract to sell, or otherwise dispose of, directly or indirectly, or announce the offering of, any debt securities issued or guaranteed by the Company (other than the Notes being sold pursuant to such Terms Agreement).

(n) The Company confirms as of the date hereof, and during the term of this Agreement, and each acceptance by the Company of an offer to purchase Notes will be deemed to be an affirmation, that the Company

is in compliance with all provisions of Section 1 of Laws of Florida, Chapter 92-198, An Act Relating to Disclosure of Doing Business with Cuba, and the Company further agrees that if it commences engaging in business with the government of Cuba or with any person or affiliate located in Cuba after the date the Registration Statement becomes or has become effective with the Securities and Exchange Commission or with the Florida Department of Banking and Finance (the "Department"), whichever date is later, or if the information reported in the Prospectus, if any, concerning the Company's business with Cuba or with any person or affiliate located in Cuba changes in any material way, the Company will provide the Department notice of such business or change, as appropriate, in a form acceptable to the Department.

(o) The Company shall not be required to comply with the provisions of subsections (b), (j) and (l) of this Section 4 during any period (which may occur from time to time during the term of this Agreement) for which the Company has instructed the Agents to suspend the solicitation of offers to purchase Notes; provided that, during any such period, any Purchaser does not then hold any Notes purchased pursuant to a Terms Agreement. The Company shall be required to comply with the provisions of subsections (b), (j) and (l) of this Section 4 prior to instructing the Agents to resume the solicitation of offers to purchase Notes or prior to entering into a Terms Agreement.

5. Conditions to the Obligations of the Agents. The obligations of each Agent to solicit offers to purchase the Notes shall be subject to the accuracy of the representations and warranties on the part of the Company contained herein as of the Execution Time, on the Effective Date, when any supplement to the Prospectus is filed with the Commission and as of each Closing Date, to the accuracy of the statements of the Company made in any certificates pursuant to the provisions hereof, to the performance by the Company of its obligations hereunder and to the following additional conditions:

(a) If filing of the Prospectus, or any supplement thereto, is required pursuant to Rule 424(b), the Prospectus, and any such supplement, shall have been filed in the manner and within the time period required by Rule 424(b); and no stop order suspending the effectiveness of the Registration Statement shall have

been issued and no proceedings for that purpose shall have been instituted or threatened.

(b) The Company shall have furnished to each Agent the opinion of Witt, Gaither & Whitaker, P.C., counsel for the Company, dated the Execution Time, to the effect that:

(i) each of the Company, Coca-Cola Bottling Co. Affiliated, Inc., Coca-Cola Bottling Company of Mobile, Inc., Coca-Cola Bottling Company of Nashville, Inc., Coca-Cola Bottling Company of Roanoke, Inc., Columbus Coca-Cola Bottling Company, Fayetteville Coca-Cola Bottling Company, Panama City Coca-Cola Bottling Company, Tennessee Soft Drink Production Company, The Coca-Cola Bottling Company of West Virginia, Inc., Metrolina Bottling Company, COBC, Inc., ECBC, Inc., MOBC, Inc., NABC, Inc., PCBC, Inc., ROBC, Inc., WCBC, Inc., and WVBC, Inc. (individually a "Subsidiary" and collectively the "Subsidiaries") is duly incorporated and validly exists as a corporation in good standing under the laws of the jurisdiction in which it is chartered or organized, with full corporate power and authority to own, lease and operate its properties, and conduct its business as described in the Prospectus, and is duly qualified to do business as a foreign corporation and is in good standing under the laws of each jurisdiction which requires such qualification wherein it owns or leases material properties or conducts material business, other than jurisdictions where the failure so to qualify would not have a material adverse effect;

(ii) the Company's 50% owned general partnership, Piedmont Coca-Cola Bottling Partnership ("Piedmont") is duly organized and validly existing under the laws of the State of Delaware, with full power and authority to own, lease and operate its properties, and to conduct its business as described in the Prospectus and each of its corporate partners is duly registered and qualified and is in good standing as a foreign corporation authorized to do business in each jurisdiction which requires such qualification wherein Piedmont owns or leases material properties or conducts material business, other than jurisdictions where the failure so to qualify would not have a material adverse effect.

(iii) all the outstanding shares of capital stock of each Subsidiary have been duly and validly authorized and issued and are fully paid and nonassessable, and, except as otherwise set forth in the Prospectus, all outstanding shares of capital stock of the Subsidiaries and the 50% partnership interest in Piedmont are owned by the Company either directly or through wholly owned subsidiaries free and clear of any perfected security interest and, to the knowledge of such counsel, after due inquiry, any other security interests, claims, liens or encumbrances;

(iv) the Company's authorized equity capitalization is as set forth in the Prospectus; and the Notes conform to the description thereof contained in the Prospectus (subject to the insertion in the Notes of the maturity dates, the interest rates and other similar terms thereof which will be described in supplements to the Prospectus as contemplated by the fourth sentence of Section 1(a) of this Agreement);

(v) the Indenture has been duly authorized, executed and delivered, has been duly qualified under the Trust Indenture Act, and the Indenture constitutes a legal, valid and binding instrument enforceable against the Company in accordance with its terms (subject, as to enforcement of remedies, to applicable bankruptcy, reorganization, insolvency, moratorium or other laws affecting creditors' rights and remedies generally from time to time in effect); and the Notes have been duly authorized and, when executed and authenticated in accordance with the provisions of the Indenture and delivered to and paid for by the purchasers thereof, will constitute legal, valid and binding obligations of the Company entitled to the benefits of the Indenture;

(vi) to the best knowledge of such counsel, there is no pending or threatened action, suit or proceeding before any court or governmental agency, authority or body or any arbitrator involving the Company or any of its Subsidiaries or Piedmont, of a character required to be disclosed in the Registration Statement which is not adequately disclosed in the Prospectus, and there is no franchise, contract or other document of a character required to be described in the

Registration Statement or Prospectus, or to be filed as an exhibit, which is not described or filed as required; and the statements included or incorporated by reference in the Prospectus describing any legal proceedings or material contracts or agreements relating to the Company, its Subsidiaries and Piedmont fairly summarize such matters;

(vii) the Registration Statement has become effective under the Act; any required filing of the Prospectus, and any supplements thereto, pursuant to Rule 424(b) has been or will be made in the manner and within the time period required by Rule 424(b); to the best knowledge of such counsel, no stop order suspending the effectiveness of the Registration Statement has been issued and no proceedings for that purpose have been instituted or threatened; and the Registration Statement and the Prospectus (other than the financial statements and other financial and statistical information contained therein as to which such counsel need express no opinion) comply as to form in all material respects with the applicable requirements of the Act, the Exchange Act and the Trust Indenture Act and the respective rules thereunder; and such counsel has no reason to believe that the Registration Statement at the Effective Date or at the Execution Time contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein not misleading or that the Prospectus includes any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(viii) this Agreement has been duly authorized, executed and delivered by the Company;

(ix) no consent, approval, authorization or order of any court or governmental agency or body is required for the consummation of the transactions contemplated herein except such as have been obtained under the Act and such as may be required under the blue sky laws of any jurisdiction in connection with the sale of the Notes as contemplated by this Agreement and such other

approvals (specified in such opinion) as have been obtained;

(x) neither the execution and delivery of the Indenture, the issue and sale of the Notes, nor the consummation of any other of the transactions herein contemplated nor the fulfillment of the terms hereof will conflict with, result in a breach or violation of, or constitute a default under any law or the charter or by-laws of the Company or the terms of any indenture or other agreement or instrument known to such counsel and to which the Company or any of its Subsidiaries or Piedmont is a party or bound or any judgment, order, regulation or decree known to such counsel to be applicable to the Company or any of its Subsidiaries or Piedmont of any court, regulatory body, administrative agency, governmental body or arbitrator having jurisdiction over the Company or any of its Subsidiaries or Piedmont;

(xi) no holders of securities of the Company have rights to the registration of such securities under the Registration Statement; and

(xii) the information contained in the Prospectus under the caption "United States Tax Considerations" is a fair and accurate summary of the principal Federal income tax consequences associated with the ownership of the Notes.

In rendering such opinion, Witt, Gaither & Whitaker, P.C. may rely (A) as to matters involving the application of laws of any jurisdiction other than the State of Delaware and Tennessee or the United States, to the extent deemed proper and specified in such opinion, upon the opinion of other counsel of good standing believed to be reliable and who are satisfactory to counsel for the Agent and (B) as to matters of fact, to the extent deemed proper, on certificates of responsible officers of the Company and public officials. References to the Prospectus in this paragraph (b) include any supplements thereto at the date such opinion is rendered.

(c) Each Agent shall have received from Cravath, Swaine & Moore, counsel for the Agents, such opinion or opinions, dated the date hereof, with respect to the issuance and sale of the Notes, the Indenture, the Registration Statement, the Prospectus (together with

any supplement thereto) and other related matters as the Agents may reasonably require, and the Company shall have furnished to such counsel such documents as they may reasonably request for the purpose of enabling them to pass upon such matters.

(d) The Company shall have furnished to each Agent a certificate of the Company, signed by the Chairman of the Board or the President and the principal financial or accounting officer of the Company, dated the Execution Time, to the effect that the signers of such certificate have carefully examined the Registration Statement, the Prospectus, any supplement to the Prospectus and this Agreement and that:

(i) the representations and warranties of the Company in this Agreement are true and correct in all material respects on and as of the date hereof with the same effect as if made on the date hereof and the Company has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied as a condition to the obligation of the Agents to solicit offers to purchase the Notes;

(ii) no stop order suspending the effectiveness of the Registration Statement has been issued and no proceedings for that purpose have been instituted or, to the Company's knowledge, threatened; and

(iii) since the date of the most recent financial statements included in the Prospectus (exclusive of any supplement thereto), there has been no material adverse change in the condition (financial or other), earnings, business or properties of the Company and its subsidiaries or Piedmont, whether or not arising from transactions in the ordinary course of business, except as set forth in or contemplated in the Prospectus (exclusive of any supplement thereto).

(e) At the Execution Time, Price Waterhouse shall have furnished to each Agent a letter or letters (which may refer to letters previously delivered to the Agents), dated as of the Execution Time, in form and substance satisfactory to the Agents, confirming that they are independent accountants within the meaning of

the Act and the Exchange Act and the respective applicable published rules and regulations thereunder and that they have performed the procedures specified by the American Institute of Certified Public Accountants for a review of interim financial information in accordance with, and as described in, Statement of Auditing Standards No. 71 for the latest unaudited financial statements in or incorporated in the Registration Statement or the Prospectus and stating in effect that:

(i) in their opinion the audited financial statements, financial statement schedules and pro forma financial statements of the Company and its subsidiaries and of Piedmont included or incorporated in the Registration Statement and the Prospectus and reported on by them comply in form in all material respects with the applicable accounting requirements of the Act and the Exchange Act and the related published rules and regulations;

(ii) on the basis of a reading of the latest unaudited financial statements made available by the Company and its subsidiaries; their limited review in accordance with standards established by the American Institute of Certified Public Accountants under Statement of Auditing Standards No. 71, of the unaudited interim financial information of the Company and its subsidiaries, carrying out certain specified procedures (but not an examination in accordance with generally accepted auditing standards) which would not necessarily reveal matters of significance with respect to the comments set forth in such letter; a reading of the minutes of the meetings of the stockholders, directors and the executive, finance, audit, pension and compensation committees of the Company and the Subsidiaries and of the partnership proceedings of Piedmont; and inquiries of certain officials of the Company and Piedmont who have responsibility for financial and accounting matters of the Company and its subsidiaries and of Piedmont as to transactions and events subsequent to the date of the most recent audited financial statements in or

incorporated in the Prospectus, nothing came to their attention which caused them to believe that:

(1) any unaudited financial statements included or incorporated in the Registration Statement and the Prospectus do not comply in form in all material respects with applicable accounting requirements and with the published rules and regulations of the Commission with respect to financial statements included or incorporated in quarterly reports on Form 10-Q under the Exchange Act; or that said unaudited financial statements are not in conformity with generally accepted accounting principles applied on a basis substantially consistent with that of the audited financial statements included or incorporated in the Registration Statement and the Prospectus;

(2) with respect to the period subsequent to the date of the most recent financial statements (other than any capsule information), audited or unaudited, included or incorporated in the Regis- tration Statement and the Prospectus, there were any increases, at a specified date not more than five business days prior to the date of the letter, in the long-term debt of the Company and its subsidiaries and of Piedmont or capital stock of the Company or decreases in the stockholders' equity of the Company as compared with the amounts shown on the most recent consolidated balance sheet included or incorporated in the Registration Statement and the Prospectus, or for the period from the date of the most recent financial statements included or incorporated in the Registration Statement and the Prospectus to such specified date there were any decreases, as compared with the corresponding period in the preceding year in net sales, gross margin, income from operations, income before income taxes and effect from accounting changes or in total or per share amounts of net income applicable to common stockholders of the Company and its subsidiaries, except in all instances for changes or decreases set forth in such letter, in which case the letter shall be accompanied by an explanation by the

Company as to the significance thereof unless said explanation is not deemed necessary by the Agents;

(3) the information included in the Registration Statement and the Prospectus in response to Regulation S-K, Item 301 (Selected Financial Data), Item 302 (Supplementary Financial Information), Item 402 (Executive Compensation) and Item 503(d) (Ratio of Earnings to Fixed Charges) is not in conformity with the applicable disclosure requirements of Regulation S-K; or

(4) the amounts included in any unaudited "capsule" information included or incorporated in the Registration Statement and the Prospectus do not agree with the amounts set forth in the unaudited financial statements for the same periods or were not determined on a basis substantially consistent with that of the corresponding amounts in the audited financial statements included or incorporated in the Registration Statement and the Final Prospectus;

(iii) they have performed certain other specified procedures as a result of which they determined that certain information of an accounting, financial or statistical nature (which is limited to accounting, financial or statistical information derived from the general accounting records of the Company, its subsidiaries and Piedmont) set forth in the Registration Statement and the Prospectus and in Exhibit 12 to the Registration Statement, including the information included or incorporated in Items 1, 2, 6, 7 and 11 of the Company's Annual report on Form 10-K, incorporated in the Registration Statement and the Prospectus, and the information included in the "Management's Discussion and Analysis of Financial Condition and Results of Operations" included or incorporated in the Company's Quarterly Reports on Form 10-Q, incorporated in the Registration Statement and the Prospectus, agrees with the accounting records of the Company, its subsidiaries and Piedmont, excluding any questions of legal interpretation; and

(iv) if unaudited pro forma financial statements are included or incorporated in the Registration Statement and the Prospectus, on the basis of a reading of the unaudited pro forma financial statements, carrying out certain specified procedures, inquiries of certain officials of the Company and the acquired company who have responsibility for financial and accounting matters, and proving the arithmetic accuracy of the application of the pro forma adjustments to the historical amounts in the pro forma financial statements, nothing came to their attention which caused them to believe that the pro forma financial statements do not comply in form in all material respects with the applicable accounting requirements of Rule 11-02 of Regulation S-X or that the pro forma adjustments have not been properly applied to the historical amounts in the compilation of such statements.

References to the Prospectus in this paragraph (e) include any supplement thereto at the date of the letter.

(f) Prior to the Execution Time, the Company shall have furnished to each Agent such further information, documents, certificates and opinions of counsel as the Agents may reasonably request.

If any of the conditions specified in this Section 5 shall not have been fulfilled in all material respects when and as provided in this Agreement, or if any of the opinions and certificates mentioned above or elsewhere in this Agreement shall not be in all material respects reasonably satisfactory in form and substance to such Agents and counsel for the Agents, this Agreement and all obligations of any Agent hereunder may be canceled at any time by the Agents. Notice of such cancellation shall be given to the Company in writing or by telephone or telegraph confirmed in writing.

The documents required to be delivered by this Section 5 shall be delivered at the office of Cravath, Swaine & Moore, counsel for the Agents, at Worldwide Plaza, 825 Eighth Avenue, New York, New York, as of the Execution Time.

6. Conditions to the Obligations of a Purchaser. The obligations of a Purchaser to purchase any Notes will be subject to the accuracy of the representations and warran-

ties on the part of the Company herein as of the date of the related Terms Agreement and as of the Closing Date for such Notes, to the performance and observance by the Company of all covenants and agreements herein contained on its part to be performed and observed and to the following additional conditions precedent:

(a) No stop order suspending the effectiveness of the Registration Statement shall have been issued and no proceedings for that purpose shall have been instituted or threatened.

(b) To the extent agreed to between the Company and the Purchaser in a Terms Agreement, the Purchaser shall have received, appropriately updated, (i) a certificate of the Company, dated as of the Closing Date, to the effect set forth in Section 5(d), (ii) the opinion of Witt, Gaither & Whitaker, P.C., counsel for the Company, dated as of the Closing Date, to the effect set forth in Section 5(b), (iii) the opinion of Cravath, Swaine & Moore, counsel for the Purchaser, dated as of the Closing Date, to the effect set forth in Section 5(c), and (iv) the letter of Price Waterhouse, independent accountants for the Company, dated as of the Closing Date, to the effect set forth in Section 5(e) (except that references to the Prospectus in any of such documents shall be to the Prospectus as supplemented as of the date of such Terms Agreement).

(c) Prior to the Closing Date, the Company shall have furnished to the Purchaser such further information, certificates and documents as the Purchaser may reasonably request.

If any of the conditions specified in this Section 6 shall not have been fulfilled in all material respects when and as provided in this Agreement and the applicable Terms Agreement, or if any of the opinions and certificates mentioned above or elsewhere in this Agreement or such Terms Agreement and required to be delivered to the Purchaser pursuant to the terms hereof and thereof shall not be in all material respects reasonably satisfactory in form and substance to the Purchaser and its counsel, such Terms Agreement and all obligations of the Purchaser thereunder and with respect to the Notes subject thereto may be canceled at, or at any time prior to, the respective Closing Date by the Purchaser. Notice of such cancellation shall be given to the Company in writing or by telephone or telegraph confirmed in writing.

7. Right of Person Who Agreed to Purchase to Refuse to Purchase. (a) The Company agrees that any person who has agreed to purchase and pay for any Note pursuant to a solicitation by any of the Agents shall have the right to refuse to purchase such Note if, at the Closing Date therefor, any condition set forth in Section 5 or 6, as applicable, shall not be satisfied.

(b) The Company agrees that any person who has agreed to purchase and pay for any Note pursuant to a solicitation by any of the Agents shall have the right to refuse to purchase such Note if, subsequent to the agreement to purchase such Note, any change, condition or development specified in any of Sections 9(b)(i) through (v) shall have occurred (with the judgment of the Agent which presented the offer to purchase such Note being substituted for any judgment of a Purchaser required therein) the effect of which is, in the judgment of the Agent which presented the offer to purchase such Note, so material and adverse as to make it impractical or inadvisable to proceed with the sale and delivery of such Note (it being understood that under no circumstance shall any such Agent have any duty or obligation to the Company or to any such person to exercise the judgment permitted to be exercised under this Section 7(b) and Section 9(b)).

8. Indemnification and Contribution. (a) The Company agrees to indemnify and hold harmless each of you, the directors, officers, employees and agents of each of you and each person who controls each of you within the meaning of either the Act or the Exchange Act against any and all losses, claims, damages or liabilities, joint or several, to which you, they or any of you or them may become subject under the Act, the Exchange Act or other Federal or state statutory law or regulation, at common law or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in the registration statement for the registration of the Securities as originally filed or in any amendment thereof, or in the Prospectus or any preliminary Prospectus, or in any amendment thereof or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and agrees to reimburse each such indemnified party, as incurred, for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability or action; provided, however, that the Company

will not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon any such untrue statement or alleged untrue statement or omission or alleged omission made therein in reliance upon and in conformity with written information furnished to the Company by any of you specifically for inclusion therein. This indemnity agreement will be in addition to any liability which the Company may otherwise have.

(b) Each of you agrees to indemnify and hold harmless the Company, each of its directors, each of its officers who signs the Registration Statement and each person who controls the Company within the meaning of either the Act or the Exchange Act, to the same extent as the foregoing indemnity from the Company to you, but only with reference to written information relating to such of you furnished to the Company by such of you specifically for inclusion in the documents referred to in the foregoing indemnity. This indemnity agreement will be in addition to any liability which you may otherwise have. The Company acknowledges that the statements set forth in the last paragraph of the cover page, and under the heading "Plan of Distribution", of the Prospectus Supplement constitute the only information furnished in writing by any of you for inclusion in the documents referred to in the foregoing indemnity, and you confirm that such statements are correct.

(c) Promptly after receipt by an indemnified party under this Section 8 of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against the indemnifying party under this Section 8, notify the indemnifying party in writing of the commencement thereof; but the failure so to notify the indemnifying party (i) will not relieve it from liability under paragraph (a) or (b) above unless and to the extent it did not otherwise learn of such action and such failure results in the forfeiture by the indemnifying party of substantial rights and defenses and (ii) will not, in any event, relieve the indemnifying party from any obligations to any indemnified party other than the indemnification obligation provided in paragraph (a) or (b) above. The indemnifying party shall be entitled to appoint counsel of the indemnifying party's choice at the indemnifying party's expense to represent the indemnified party in any action for which indemnification is sought (in which case the indemnifying party shall not thereafter be responsible for the fees and expenses of any separate counsel retained by the indemnified party or parties except as set forth below); provided, however, that such counsel shall be satisfactory to the

indemnified party. Notwithstanding the indemnifying party's election to appoint counsel to represent the indemnified party in an action, the indemnified party shall have the right to employ one separate counsel (including local counsel), and the indemnifying party shall bear the reasonable fees, costs and expenses of such separate counsel if (i) the use of counsel chosen by the indemnifying party to represent the indemnified party would present such counsel with a conflict of interest, (ii) the actual or potential defendants in, or targets of, any such action include both the indemnified party and the indemnifying party and the indemnified party shall have reasonably concluded that there may be legal defenses available to it and/or other indemnified parties which are different from or additional to those available to the indemnifying party, (iii) the indemnifying party shall not have employed counsel satisfactory to the indemnified party to represent the indemnified party within a reasonable time after notice of the institution of such action or (iv) the indemnifying party shall authorize the indemnified party to employ separate counsel at the expense of the indemnifying party. An indemnifying party will not, without the prior written consent of the indemnified parties, settle or compromise or consent to the entry of any judgment with respect to any pending or threatened claim, action, suit or proceeding in respect of which indemnification or contribution may be sought hereunder (whether or not the indemnified parties are actual or potential parties to such claim or action) unless such settlement, compromise or consent includes an unconditional release of each indemnified party from all liability arising out of such claim, action, suit or proceeding.

(d) In the event that the indemnity provided in paragraph (a) or (b) of this Section 8 is unavailable to or insufficient to hold harmless an indemnified party for any reason, the Company and each of you agree to contribute to the aggregate losses, claims, damages and liabilities (including legal or other expenses reasonably incurred in connection with investigating or defending same) (collectively "Losses") to which the Company and one or more of you may be subject in such proportion as is appropriate to reflect the relative benefits received by the Company and by each of you from the offering of the Notes from which such Losses arise; provided, however, that in no such case shall any of you be responsible for any amount in excess of the commissions received by such of you in connection with the sale of Notes from which such Losses arise (or, in the case of Notes sold pursuant to a Terms Agreement, the aggregate commissions that would have been received by such of you if such commissions had been payable). If the allocation provided by the immediately preceding sentence is unavailable for any reason, the Company and each of you shall contribute in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Company and of each of you in connection with the statements or omissions which resulted in such Losses as well as any other relevant equitable considerations. Benefits received by the Company shall be deemed to be equal to the total net proceeds from the offering (before deducting expenses) of the Notes from which such Losses arise, and benefits received by each of you shall be deemed to be equal to the total commissions received by such

of you in connection with the sale of Notes from which such Losses arise (or, in the case of Notes sold pursuant to a Terms Agreement, the aggregate commissions that would have been received by such of you if such commissions had been payable). Relative fault shall be determined by reference to whether any alleged untrue statement or omission relates to information provided by the Company or any of you. The Company and each of you agree that it would not be just and equitable if contribution were determined by pro rata allocation or any other method of allocation which does not take account of the equitable considerations referred to above. Notwithstanding the provisions of this paragraph (d), no person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. For purposes of this Section 8, each person who controls any of you within the meaning of the Act or the Exchange Act and each director, officer, employee and agent of any of you shall have the same rights to contribution as you and each person who controls the Company within the meaning of either the Act or the Exchange Act, each officer of the Company who shall have signed the Registration Statement and each director of the Company shall have the same rights to contribution as the Company, subject in each case to the applicable terms and conditions of this paragraph (d).

9. Termination. (a) This Agreement will continue in effect until terminated as provided in this Section 9. This Agreement may be terminated either by the Company as to any Agent or by any Agent insofar as this Agreement relates to such Agent, by giving written notice of such termination to such Agent or the Company, as the case may be. This Agreement shall so terminate at the close of business on the first business day following the receipt of such notice by the party to whom such notice is given. In the event of such termination, no party shall have any liability to the

other party hereto, except as provided in the fourth paragraph of Section 2(a), Section 4(h), Section 8 and Section 10.

(b) Each Terms Agreement shall be subject to termination in the absolute discretion of the Purchaser, by notice given to the Company prior to delivery of any payment for any Note to be purchased thereunder, if prior to such time (i) there shall have occurred, subsequent to the agreement to purchase such Note, any change, or any development involving a prospective change, in or affecting the business or properties of the Company and its subsidiaries or of Piedmont, the effect of which is, in the judgment of the Purchaser, so material and adverse as to make it impractical or inadvisable to proceed with the offering or delivery of such Note, (ii) there shall have been, subsequent to the agreement to purchase such Note, any decrease in the rating of any of the Company's debt securities by any "nationally recognized statistical rating organization" (as defined for purposes of Rule 436(g) under the Act) or any notice given of any intended or potential decrease in any such rating or of a possible change in any such rating that does not indicate the direction of the possible change, (iii) trading in the Company's Common Stock or Class C Common Stock shall have been suspended by the New York Stock Exchange or the National Association of Securities Dealers Automated Quotation National Market System or trading in securities generally on the New York Stock Exchange or the National Association of Securities Dealers Automated Quotation National Market System shall have been suspended or limited or minimum prices shall have been established on such Exchange or market system, (iv) a banking moratorium shall have been declared by either Federal or New York State authorities or (v) there shall have occurred any outbreak or escalation of hostilities, declaration by the United States of a national emergency or war or other calamity or crisis the effect of which on financial markets is such as to make it, in the judgment of the Purchaser, impracticable or inadvisable to proceed with the offering or delivery of such Notes as contemplated by the Prospectus (exclusive of any supplement thereto).

10. Survival of Certain Provisions. The respective agreements, representations, warranties, indemnities and other statements of the Company or its officers and of each of you set forth in or made pursuant to this Agreement will remain in full force and effect, regardless of any investigation made by or on behalf of you or the Company or any of the directors, officers, employees, agents or controlling persons referred to in Section 8 hereof, and

will survive delivery of and payment for the Notes. The provisions of Sections 4(h) and 8 hereof shall survive the termination or cancellation of this Agreement. The provisions of this Agreement (including without limitation Section 7 hereof) applicable to any purchase of a Note for which an agreement to purchase exists prior to the termination hereof shall survive any termination of this Agreement. If at the time of termination of this Agreement any Purchaser shall own any Notes with the intention of selling them, the provisions of Section 4 shall remain in effect until such Notes are sold by the Purchaser.

11. Notices. All communications hereunder will be in writing and effective only on receipt, and, if sent to any of you, will be mailed, delivered or telecopied and confirmed to such of you, at the address specified in Schedule I hereto; or, if sent to the Company, will be mailed, delivered or telecopied and confirmed to it at 1900 Rexford Road, Charlotte, North Carolina 28211, attention of the Treasurer (Telecopy No.: (704) 551-4451), with a copy sent to the Company's counsel, Witt, Gaither & Whitaker, P.C., at 1100 American National Bank Building, Chattanooga, Tennessee 37402, attention of Ralph M. Killebrew, Jr., Esq. (Telecopy No.: (615) 266-4138).

12. Successors. This Agreement will inure to the benefit of and be binding upon the parties hereto, their respective successors, the directors, officers, employees, agents and controlling persons referred to in Section 8 hereof and, to the extent provided in Section 7, any person who has agreed to purchase Notes, and no other person will have any right or obligation hereunder.

13. Applicable Law. This Agreement will be governed by and construed in accordance with the laws of the State of New York.

If the foregoing is in accordance with your understanding of our agreement, please sign and return to us the

enclosed duplicate hereof, whereupon this letter and your acceptance shall represent a binding agreement among the Company and you.

Very truly yours,

Coca-Cola Bottling Co. Consolidated

By: /s/ Brenda Jackson
Treasurer

The foregoing Agreement is
hereby confirmed and accepted
as of the date hereof.

Salomon Brothers Inc

By:
/s/ Pamela Kendall
Vice President

Citicorp Securities, Inc.

By:
/s/ Donald J. Donahue
Vice President

Exhibit 10.84

First Amendment to Employment Agreement

This agreement shall be effective as of May 18, 1994, by and between Coca-Cola Bottling Co. Consolidated, a Delaware Corporation (hereinafter the "Company") and James L. Moore, Jr. (the "Employee")

Whereas, the Company and Employee desire to amend the Employment Agreement between them dated as of March 16, 1987 (hereinafter the "Employment Agreement") in the manner set forth herein.

Now, therefor, in consideration of the premises, the obligations of the parties set forth herein, and other good and sufficient consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. The second and third sentences of Section 1, of the Employment Agreement entitled "Employment" shall be deleted and the following shall be substituted therefor.

"Employee shall serve as the Company's President and Chief Operating Officer, and shall perform the duties generally and customarily performed by a President and Chief Operating Officer and such other duties as may be reasonably assigned to Employee by the Vice Chairman and Chief Executive Officer. These duties shall include the general supervision and control of the management of operations of the Company."

2. Section 4, Subsection (c) of the Employment Agreement shall be deleted in its entirety and the following shall be substituted therefor.

"In the event the Employee is terminated without cause by the Company, Employee shall receive his salary (i) specified in Section 2(a) for the period through May 18, 1999 or (ii) for a period of two (2) years from the date of such termination at the specified annual rate of $440,000, whichever is greater, and he shall be provided with health insurance under the Company's plan then in effect for officers of the Company generally, throughout such period."

3. The Employment Agreement shall continue in effect unchanged except as herein specifically provided for.

This amendment has been executed and delivered to be effective the date specified above.

Attest: Coca-Cola Bottling Co. Consolidated

John F. Henry
Secretary BY: J. Frank Harrison, III
Vice Chairman & CEO

Witness: Employee:
David V. Singer

James L. Moore, Jr.
President & COO

Exhibit 10.85

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 by-laws 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 are 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, include 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 25c 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 annual 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 times 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 authorize 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, CCCBCC 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:

David V. Singer
Vice President and Chief Financial Officer
Coca-Cola Bottling Co. Consolidated

A.T. Heath, III
Chairman of the Board
South Atlantic Canners

EXHIBIT 10.86

STOCK OPTION AGREEMENT

THIS AGREEMENT is issued to be effective March 8, 1989, the date the Board of Directors of Coca-Cola Bottling Co. Consolidated granted the option described herein and evidenced hereby.

Coca-Cola Bottling Co. Consolidated (hereinafter the "Company") for due consideration, the receipt and sufficiency of which is hereby acknowledged, hereby agrees as follows:

1. Grant of Option. J. Frank Harrison, Jr. is hereby granted effective March 8, 1989 an option for the purchase of 100,000 shares of Common Stock, $1 par value, of the Company (the "Option Shares") subject to the terms and conditions herein provided. The option may be exercised in whole or in part at varying times until an aggregate of 100,000 Option Shares shall have been purchased.

2. Purchase Price and Payment Terms. The purchase price of the Option Shares is $27.00 per share, representing the closing sales price of the Company's Common Stock on March 8, 1989 as reported by NASD. The price shall be paid in cash, or in the absolute discretion of the Company, by promissory note providing for reasonable terms of payment and interest, by property having a fair-market value equal to the purchase price, or in shares of Common Stock of the Company valued for such purposes at the closing sales price of such shares as reported by NASD on the day such shares are delivered to the Company.

3. Term. This option may be exercised in whole or in part from time to time during the 15-year period commencing on March 8, 1989 and ending on March 7, 2004, but only with respect to the following amounts:

50,000	Immediately
60,000	Shares after 12/31/89
70,000	Shares after 12/31/90
80,000	Shares after 12/31/91
90,000	Shares after 12/31/92
100,000	Shares after 12/31/93

4. Conditions of Exercise. If Harrison should die, become disabled, or if his employment with the Company should be terminated by the Company without cause, then this option shall not be affected but shall continue unaltered. However, if Harrison should voluntarily resign as an officer of the Company, other than as a result of his disability, and/or should voluntarily cease serving as a director of the Company, other than as the result of his disability, or should be terminated by the Company by reason of his embezzlement, proven dishonesty, proven fraud, conviction of a felonious or other charge involving moral turpitude, alcoholism, drug addiction or other similar incapacitating problem including behavior clearly outside acceptable means of business conduct, improper

communication of confidential information obtained in the course of employment with the Company, or conspiracy against the Company (termination for cause), then this option shall continue to be exercisable with respect to the number of shares then available in accordance with the schedule set forth in Section 3 hereinabove, but it shall not thereafter become exercisable with respect to any additional shares.

5. Adjustment of Number of Shares. The number of Option Shares for which this option may be exercised and the purchase price per share thereof shall be adjusted by increase or decrease, proportionately as a result of any stock dividend, split up, subdivision, reverse split or combination of the Company's shares of Common Stock, whether by reclassification, recapitalization or otherwise, so as to increase or decrease the number of shares issued and outstanding.

6. Merger, Consolidation, Etc. In the event of a proposed merger, consolidation, or sale of substantially all of the assets of the Company, the option shall become exercisable with respect to the entire 100,000 shares. However, any unexercised portion of the option granted herein shall be deemed cancelled unless, following receipt of written notice from the Company of the proposed merger, consolidation, or sale, Harrison exercises the option or any part thereof and pays for said shares in full within 30 days after receipt of the written notice to him of such

proposed action.

If the merger, consolidation, or sale of assets is later abandoned and Harrison has not exercised this option in full, this option shall be deemed reinstated on the original terms set forth herein, as if never cancelled.

7. Dissolution or Liquidation. In the event of a dissolution or liquidation of the Company, the option shall become exercisable with respect to the entire 100,000 shares. However, any unexercised portion of the option granted herein shall be deemed cancelled unless, following receipt of written notice from the Company of the proposed dissolution or liquidation, Harrison exercises the option or any part thereof and pays for said shares in full within 30 days after receipt of the written notice to him of such proposed action.

If the dissolution or liquidation is later abandoned, this option shall be deemed reinstated, as to any unexercised portion, on the original terms set forth herein, as if never cancelled.

8. Transferability. Except with the prior written consent of the Company, this option may not be transferred during Harrison's lifetime except to his issue and/or any trust or other entity for the sole benefit of Harrison and/or his issue. Upon Harrison's death, this option shall survive and may become a part of his estate and may be

transferred to his executors, administrators, heirs or legatees, either under his will or by operation of law.

9. Manner of Exercise. This option may be exercised by written notice of such election given by the holder thereof to the President or Secretary of the Company, specifying the date of the election, which must be on or after the date of delivery of the notice, and the number of shares with respect to which the option is being exercised, together with either a cashier's or certified check in payment of the purchase price or a wire transfer of such funds to an account designated by the Company, if payment is to be made in cash, or the executed promissory note, bill of sale, stock certificates, or other instrument of transfer, if payment is to be made otherwise, The shares shall be issued as of the date of the election specified in the notice or the date of receipt by the Company of the payment for such shares, whichever is later, and the owner of such shares shall be entitled to all privileges of a shareholder from and after such date. Certificates may be issued thereafter evidencing ownership of such shares but shall be dated the date of their issue.

10. Governing Law. This agreement shall be governed by the laws of the State of Delaware.

11. Legal Limitations. This option may not be exercised if the issuance of the shares of Common Stock to which it relates would constitute a violation of any applicable

federal or state securities or other law or valid regulation. Furthermore, the holder of this option, as a condition to the exercise of this option, shall represent to the Company that the shares of Common Stock of the Company that are being acquired pursuant hereto are being acquired for investment and not with a view to distribution or resale, unless counsel for the Company is then of the opinion that such a representation is not required under the Securities Act of 1933 or any other applicable law, regulation or rule of any governmental agency.

Executed to be effective March 8, 1989.

COCA-COLA BOTTLING CO. CONSOLIDATED

By: (signature of James L. Moore, Jr. appears here)

James L. Moore, Jr., President
and Chief Executive Officer

EXHIBIT 10.87

STOCK OPTION AGREEMENT

THIS AGREEMENT is issued to be effective August 9, 1989, the date the Board of Directors of Coca-Cola Bottling Co. Consolidated granted the option described herein and evidenced hereby.

Coca-Cola Bottling Co. Consolidated (hereinafter the "Company") for due consideration, the receipt and sufficiency of which is hereby acknowledged, hereby agrees as follows:

1. Grant of Option. J. Frank Harrison, III is hereby granted effective August 9, 1989 an option for the purchase of 150,000 shares of Common Stock, $1 par value, of the Company (the "Option Shares") subject to the terms and conditions herein provided. The option may be exercised in whole or in part at varying times until an aggregate of 150,000 Option Shares shall have been purchased.

2. Purchase Price and Payment Terms. The purchase price of the Option Shares is $29.75 per share, representing the closing sales price of the Company's Common Stock on August 9, 1989 as reported by NASD. The price shall be paid in cash, or in the absolute discretion of the Company, by promissory note providing for reasonable terms of payment and interest, by property having a fair-market value equal to the purchase

price, or in shares of Common Stock of the Company valued for such purposes at the closing sales price of such shares as reported by NASD or by reference to the closing market price of such shares as reported on any other exchange, automated quotation system or other such organization which is the predominant trading market for such shares on the day such shares are delivered to the Company.

3. Term. This option may be exercised in whole or in part from time to time during the 15-year period commencing on August 9, 1989 and ending on August 9, 2004, but only with respect to the following amounts:

75,000 Immediately	120,000 Shares after 12/31/94
82,500 Shares after 12/31/89	127,500 Shares after 12/31/95
90,000 Shares after 12/31/90	135,000 Shares after 12/31/96
97,500 Shares after 12/31/91	142,500 Shares after 12/31/97
105,000 Shares after 12/31/92	150,000 Shares after 12/31/98
112,500 Shares after 12/31/93	

4. Conditions of Exercise. If Harrison should die, become disabled, or if his employment with the Company should be terminated by the Company without cause, then this option shall not be affected but shall continue unaltered. However, if Harrison should voluntarily resign as an officer of the Company, other than as a result of his disability, and/or

should voluntarily cease serving as a director of the Company, other than as the result of his disability, or should be terminated by the Company by reason of his embezzlement, proven dishonesty, proven fraud, conviction of a felonious or other charge involving moral turpitude, alcoholism, drug addiction or other similar incapacitating problem including behavior clearly outside acceptable means of business conduct, or conspiracy against the Company (termination for cause), then this option shall continue to be exercisable with respect to the number of shares then available in accordance with the schedule set forth in Section 3 hereinabove, but it shall not thereafter become exercisable with respect to any additional shares.

5. Adjustment of Number of Shares. The number of Option Shares for which this option may be exercised and the purchase price per share thereof shall be adjusted by increase or decrease, proportionately as a result of any stock dividend, split up, subdivision, reverse split or combination of the Company's shares of Common Stock, whether by reclassification, recapitalization or otherwise, so as to increase or decrease the number of shares issued and outstanding.

6. Merger, Consolidation, Etc. In the event of a proposed merger, consolidation, or sale of substantially all of the assets of the Company, the option shall become exercisable with respect to the entire 150,000 shares. However, any unexercised portion of the option granted herein shall be deemed cancelled

unless, following receipt of written notice from the Company of the proposed merger, consolidation, or sale, Harrison exercises the option or any part thereof and pays for said shares in full within 30 days after receipt of the written notice to him of such proposed action.

If the merger, consolidation, or sale of assets is later abandoned and Harrison has not exercised this option in full, this option shall be deemed reinstated on the original terms set forth herein, as if never cancelled.

7. Dissolution or Liquidation. In the event of a dissolution or liquidation of the Company, the option shall become exercisable with respect to the entire 150,000 shares. However, any unexercised portion of the option granted herein shall be deemed cancelled unless, following receipt of written notice from the Company of the proposed dissolution or liquidation, Harrison exercises the option or any part thereof and pays for said shares in full within 30 days after receipt of the written notice to him of such proposed action.

If the dissolution or liquidation is later abandoned, this option shall be deemed reinstated, as to any unexercised portion, on the original terms set forth herein, as if never cancelled.

8. Transferability. Except with the prior written consent of

the Company, this option may not be transferred during Harrison's lifetime except to his issue, spouse and/or any trust or other entity for the sole benefit of Harrison, his issue and/or spouse. Upon Harrison's death, this option shall survive and may become a part of his estate and may be transferred to his executors, administrators, heirs or legatees, either under his will or by operation of law. In the event of any transfer pursuant to the terms of this Section 8, the terms and conditions of exercise, including, but not limited to those set forth in Section 4 hereof, shall continue to apply to said option.

9. Manner of Exercise. This option may be exercised by written notice of such election given by the holder thereof to the President or Secretary of the Company, specifying the date of the election, which must be on or after the date of delivery of the notice, and the number of shares with respect to which the option is being exercised, together with either a cashier's or certified check in payment of the purchase price or a wire transfer of such funds to an account designated by the Company, if payment is to be made in cash, or the executed promissory note, bill of sale, stock certificates, or other instrument of transfer, if payment is to be made otherwise. The shares shall be issued as of the date of the election specified in the notice or the date of receipt by the Company of the payment for such shares, whichever is later, and the owner of such shares shall be entitled to all privileges of a shareholder from and

after such date. Certificates may be issued thereafter evidencing ownership of such shares but shall be dated the date of their issue.

10. Governing Law. This agreement shall be governed by the laws of the State of Delaware.

11. Legal Limitations. Anything herein to the contrary notwithstanding, this option may not be exercised until its issuance has been approved by a vote of the shareholders of the Company or otherwise if the issuance of the shares of Common Stock to which it relates would constitute a violation of any applicable federal or state securities or other law or valid regulation. Furthermore, the holder of this option, as a condition to the exercise of this option, shall represent to the Company that the shares of Common Stock of the Company that are being acquired pursuant hereto are being acquired for investment and not with a view to distribution or resale, unless counsel for the Company is then of the opinion that such a representation is not required under the Securities Act of 1933 or any other applicable law, regulation or rule of any governmental agency.

Executed this 24th day of October, 1989.

COCA-COLA BOTTLING CO. CONSOLIDATED

By:_(signature of James L. Moore, Jr. appears here)

James L. Moore, Jr.
President and Chief Executive Officer

EXHIBIT 10.88

TREASURY BOND 8.07%
RENTAL FACTOR 3.29447%
LEASE FUNDING NO: 94011

LEASE SUPPLEMENT TO
MASTER EQUIPMENT LEASE (the "Master Lease")
BETWEEN
COCA-COLA FINANCIAL CORPORATION ("Lessor")
and
COCA-COLA BOTTLING CO. CONSOLIDATED ("Lessee")
DATED: February 9, 1993

1. Term

The "Initial Term" shall commence on the 30th day of November, 1994 ("lease Commencement Date"); and will continue for a term of one hundred eight (108) months ending on the 30th day of November, 2003.

2. Rent

(a) BASIC RENT: As Basic Rent hereunder, Lessee shall pay an aggregate rental charge of $1,483,471.08, payable in arrears in thirty-six (36) quarterly installments of $41,207.53 each, beginning on February 30, 1995 and continuing on the same day of each calendar quarter thereafter during the Initial Term, with the final such installment being due and payable on November 30, 2003.

(b) INTERIM RENT: Lessee shall pay Lessor Interim Rent on all payments made by Lessor for Equipment from the date of Lessor's payment, if paid prior to the Lease Commencement Date, until the Lease Commencement Date. Interim Rent shall be calculated from the date of such payment on the basis of a rate which shall be the lesser of (i) a daily rate of .00037 per dollar so paid by Lessor, (which rate is based on the rate implied by the Basic Rent amount set forth above), or (ii) a per annum rate applied to the amount so paid by Lessor equal to the "Prime Rate" as published in The Wall Street Journal on the last business day prior to the date of such payment by Lessor. Interim Rent shall be payable in full on the Lease Commencement Date.

(c) SUPPLEMENTAL RENT: In addition to Basic Rent and Interim Rent, Lessee shall pay Lessor all Supplemental Rent provided for in the Master Lease including, without limitation, all applicable sales and use taxes.

3. Location of the Equipment

The location(s) of the Equipment leased is (are) set forth on Exhibit "A" attached hereto.

4. Equipment Leased

The Equipment leased is described on each equipment invoice and installation notification subject to this Lease Supplement. The supporting equipment invoices, installation notifications and equipment serial numbers are summarized on Exhibit "A" attached hereto.

5. Stipulated Loss Value

The "Stipulated Loss Value" of each item of Equipment, as of any particular date of computation, shall be determined with reference to Exhibit "B" attached hereto by multiplying the original cost of such item of Equipment as stated on Exhibit "A" hereto by the percentage of the cost of such item set forth opposite the applicable month number on Exhibit "B" hereto. For this purpose the applicable month number means the number of months or partial months elapsed since the Lease Commencement Date. If only a portion of an item of Equipment is affected by any event causing calculation of "Stipulated Loss Value" as specified in the Master Lease, and the cost of such portion of the Equipment cannot be readily determined from the original cost of such item set forth on Exhibit A, then the Stipulated Loss Value for such portion of the Equipment shall be as reasonably calculated by Lessor, with written notice of such amount being sent to Lessee by Lessor.

6. Lease

This Lease Supplement is executed and delivered under and pursuant to the terms of the Master Lease, and this Lease Supplement shall be deemed to be a part of, and shall be governed by the terms and conditions of the Master Lease. For purposes of this Lease Supplement, capitalized terms which are used herein but which are not otherwise defined herein shall have the meanings ascribed to such terms in the Master Lease.

IN WITNESS WHEREOF, Lessee has caused this Lease Supplement to be duly executed and delivered by its duly authorized officers, this 30th day of November, 1994.

LESSEE:
COCA-COLA BOTTLING CO. CONSOLIDATED

By:_(sig. of Brenda B. Jackson appears here)

Title: Vice President & Treasurer

(CORPORATE SEAL)
Attest: (sig. of Patricia A. Gill)

Title: Assistant Secretary

Accepted in Atlanta, Georgia, this 29th day of Dec. 1994.

LESSOR:
COCA-COLA FINANCIAL CORPORATION
By: (sig. of Kathy L. Meyers appears here)

Title: Op. Mgr.

CERTIFICATE OF ACCEPTANCE

This certificate of Acceptance is executed and delivered under and pursuant to the terms of that certain Master Equipment Lease dated February 9, 1993 (the "Lease") between Coca-Cola Financial Corporation ("Lessor") and Coca-Cola Bottling Co. Consolidated ("Lessee"). This Certificate of Acceptance shall be deemed to be a part of, and shall be governed by, the terms and conditions of the Lease and words and phrases defined in the Lease shall have the same meanings in this Certificate of Acceptance.

The undersigned, the Lessee under the Lease, acknowledges and agrees that the Equipment described on the manufacturers' invoices summarized on the attached Exhibit "A" has been delivered to Lessee and installed and has been accepted by the Lessee under and pursuant to and subject to all terms and conditions of the Lease, and that such Equipment is in good order and condition and is of the manufacture, design and capacity selected by Lessee and is suitable for Lessee's purposes. Lessee understands that Lessor is relying on the foregoing certification in its purchase of such Equipment and, to induce Lessor to purchase such Equipment, Lessee agrees that it will settle all claims, defenses, set-offs and counterclaims it may have with the manufacturer directly with the manufacturer and will not assert any thereof against Lessor, that its obligation to Lessor is absolute, and that Lessor is neither the manufacturer, distributor nor seller of such Equipment.

This Certificate of Acceptance does not and shall not limit, abrogate or detract from any rights or claims against any manufacturer or vendor of the Equipment including, but not limited to, any warranties or representations written or oral, statutory, express or implied.

IN WITNESS WHEREOF, Lessee has caused this Certificate of Acceptance to be executed and delivered by its duly authorized officers, the 30th day of November, 1994.

(CORPORATE SEAL)

LESSEE: COCA-COLA BOTTLING CO. CONSOLIDATED

By: Brenda B. Jackon

Title: Vice Presient & Treasurer

Attest: (sig. of Patricia A. Gill)

Title: Assistant Secretary

EXHIBIT 10.89

TREASURY BOND 7.97%
Rental Factor 3.30273%
Lease Funding No: 94012

LEASE SUPPLEMENT TO
MASTER EQUIPMENT LEASE (the "Master Lease")
BETWEEN
COCA-COLA FINANCIAL CORPORATION ("Lessor")
AND
COCA-COLA BOTTLING CO. CONSOLIDATED ("Lessee")
DATED: February 9, 1993

1. Term

The "Initial Term" shall commence on the 19th day of December, 1994 ("Lease commencement Date"); and will continue for a term of one hundred eight (108) months ending on 19th day of December, 2003.

2. Rent

(a) BASIC RENT: As Basic Rent hereunder, Lessee shall pay an aggregate rental charge of $612,561.96, payable in arrears in thirty-six (36) quarterly installments of $17,015.61 each, beginning on March 19, 1995 and continuing on the same day of each calendar quarter thereafter during the Initial Term, with the final such installment being due and payable on December 19, 2003.

(b) INTERIM RENT: Lessee shall pay Lessor Interim Rent on all payments made by Lessor for Equipment from the date of Lessor's payment, if paid prior to the Lease Commencement Date, until the Lease Commencement Date. Interim Rent shall be calculated from the date of such payment on the basis of a rate which shall be the lesser of (i) a daily rate of .00037 per dollar so paid by Lessor, (which rate is based on the rate implied by the Basic Rent amount set forth above), or (ii) a per annum rate applied to the amount so paid by Lessor equal to the "Prime Rate" as published in The Wall Street Journal on the last business day prior to the date of such payment by Lessor. Interim Rent shall be payable in full on the Lease Commencement Date.

(c) SUPPLEMENTAL RENT: In addition to Basic Rent and Interim Rent, Lessee shall pay Lessor all Supplemental Rent provided for in the Master Lease including, without limitation, all applicable sales and use taxes.

3. Location of the Equipment

The location(s) of the Equipment leased is (are) set forth on Exhibit "A" attached hereto.

4. Equipment Leased

The Equipment leased is described on each equipment invoice and installation notification subject to this Lease Supplement. The supporting equipment invoices, installation notifications and equipment serial numbers are summarized on Exhibit "A" attached hereto.

5. Stipulated Loss Value

The "Stipulated Loss Value" of each item of Equipment, as of any particular date of computation, shall be determined with reference to Exhibit "B" attached hereto by multiplying the original cost of such item of Equipment as stated on Exhibit "A" hereto by the percentage of the cost of such item set forth opposite the applicable month number on Exhibit "B" hereto. For this purpose the applicable month number means the number of months or partial months elapsed since the Lease Commencement Date. If only a portion of an item of Equipment is affected by any event causing calculation of "Stipulated Loss Value" as specified in the Master Lease, and the cost of such portion of the Equipment cannot be readily determined from the original cost of such item set forth on Exhibit A, then the Stipulated Loss Value for such portion of the Equipment shall be as reasonably calculated by Lessor, with written notice of such amount being sent to Lessee by Lessor.

6. Lease

This Lease Supplement is executed and delivered under and pursuant to the terms of the Master Lease, and this Lease Supplement shall be deemed to be a part of, and shall be governed by the terms and conditions of the Master Lease. For purposes of this Lease Supplement, capitalized terms which are used herein but which are not otherwise defined herein shall have the meanings ascribed to such terms in the Master Lease.

IN WITNESS WHEREOF, Lessee has caused this Lease Supplement to be duly executed and delivered by its duly authorized officers, this 19th day of December, 1994.

LESSEE:

COCA-COLA BOTTLING CO. CONSOLIDATED

(CORPORATE SEAL) By: Brenda B. Jackson

Brenda B. Jackson

Attest: (sig. of Patricia A Gill) Title: Vice President & Treasurer

Patricia A. Gill

Title: Assistant Secretary

Accepted in Atlanta, Georgia, this 28 day of January, 1995.

LESSOR:

COCA-COLA FINANCIAL CORPORATION

By: (Sig. of Nuala M. King appears here)

Title: President

CERTIFICATE OF ACCEPTANCE

This Certificate of Acceptance is executed and delivered under and pursuant to the terms of that certain Master Equipment Lease dated February 9, 1993 (the "Lease") between Coca-Cola Financial Corporation ("Lessor") and Coca-Cola Bottling Co. Consolidated ("Lessee"). This Certificate of Acceptance shall be deemed to be a part of, and shall be governed by, the terms and conditions of the Lease and words and phrases defined in the Lease shall have the same meanings in this Certificate of Acceptance.

The undersigned, the Lessee under the Lease, acknowledges and agrees that the Equipment described on the manufacturers' invoices summarized on the attached Exhibit "A", has been delivered to Lessee and installed and has been accepted by the Lessee under and pursuant to and subject to all terms and conditions of the Lease, and that such Equipment is in good order and condition and is of the manufacture, design and capacity selected by Lessee and is suitable for Lessee's purposes. Lessee understands that Lessor is relying on the foregoing certification in its purchase of such Equipment and, to induce Lessor to purchase such Equipment, Lessee agrees that it will settle all claims, defenses, set-offs and counterclaims it may have with the manufacturer directly with the manufacturer and will not assert any thereof against Lessor, that its obligation to Lessor is absolute, and that Lessor is neither the manufacturer, distributor nor seller of such Equipment.

This Certificate of Acceptance does not and shall not limit, abrogate or detract from any rights or claims against any manufacturer or vendor of the Equipment including, but not limited to, any warranties or representations written or oral, statutory, express or implied.

IN WITNESS WHEREOF, Lessee has caused this Certificate of Acceptance to be executed and delivered by its duly authorized officers, the 19th day of December, 1994.

(CORPORATE SEAL) LESSEE: COCA-COLA BOTTLING CO. CONSOLIDATED

Attest: (sig. of Patricia A. Gill) By: (sig. of Brenda B. Jackson)

Patricia A. Gill Brenda B. Jackson

Title: Assistant Secretary Title: Vice President & Treasurer

EXHIBIT 10.90

TREASURY BOND 7.73%
Rental Factor 3.35684%
Lease Funding No: 94013

LEASE SUPPLEMENT TO
MASTER EQUIPMENT LEASE (the "Master Lease")
BETWEEN
COCA-COLA FINANCIAL CORPORATION ("Lessor")
AND
COCA-COLA BOTTLING CO. CONSOLIDATED ("Lessee")
DATE: February 9, 1993

1. Term

The "Initial Term" shall commence on the 17th day of January, 1995 ("Lease Commencement Date"); and will continue for a term of one hundred eight (108) months ending on 17th day of January, 2004.

2. Rent

(a) BASIC RENT: As Basic Rent hereunder, Lessee shall pay an aggregate rental charge of $1,115,255.16, payable in arrears in thirty-six (36) quarterly installments of $30,979.31 each, beginning on April 17, 1995 and continuing on the same day of each calendar quarter thereafter during the Initial Term, with the final such installment being due and payable on January 17, 2004.

(b) INTERIM RENT: Lessee shall pay Lessor Interim Rent on all payments made by Lessor for Equipment from the date of Lessor's payment, if paid prior to the Lease Commencement Date, until the Lease Commencement Date. Interim Rent shall be calculated from the date of such payment on the basis of a rate which shall be the lesser of (i) a daily rate of .00037 per dollar so paid by Lessor, (which rate is based on the rate implied by the Basic Rent amount set forth above), or (ii) a per annum rate applied to the amount so paid by Lessor equal to the "Prime Rate" as published in The Wall Street Journal on the last business day prior to the date of such payment by Lessor. Interim Rent shall be payable in full on the Lease Commencement Date.

(c) SUPPLEMENTAL RENT: In addition to Basic Rent and Interim Rent, Lessee shall pay Lessor all Supplemental Rent provided for in the Master Lease including, without limitation, all applicable sales and use taxes.

3. Location of the Equipment

The location(s) of the Equipment leased is (are) set forth on Exhibit "A" attached hereto.

4. Equipment Leased

The Equipment leased is described on each equipment invoice and installation notification subject to this Lease Supplement. The supporting equipment invoices, installation notifications and equipment serial numbers are summarized on Exhibit "A" attached hereto.

5. Stipulated Loss Value

The "Stipulated Loss Value" of each item of Equipment, as of any particular date of computation, shall be determined with reference to Exhibit "B" attached hereto by multiplying the original cost of such item of Equipment as stated on Exhibit "A" hereto by the percentage of the cost of such item set forth opposite the applicable month number on Exhibit "B" hereto. For this purpose the applicable month number means the number of months or partial months elapsed since the Lease Commencement Date. If only a portion of an item of Equipment is affected by any event causing calculation of "Stipulated Loss Value" as specified in the Master Lease, and the cost of such portion of the Equipment cannot be readily determined from the original cost of such item set forth on Exhibit A, then the Stipulated Loss Value for such portion of the Equipment shall be as reasonably calculated by Lessor, with written notice of such amount being sent to Lessee by Lessor.

6. Lease

This Lease Supplement is executed and delivered under and pursuant to the terms of the Master Lease, and this Lease Supplement shall be deemed to be a part of, and shall be governed by the terms and conditions of the Master Lease. For purposes of this Lease Supplement, capitalized terms which are used herein but which are not otherwise defined herein shall have the meanings ascribed to such terms in the Master Lease.

IN WITNESS WHEREOF, Lessee has caused this Lease Supplement to be duly executed and delivered by its duly authorized officers, this 17th day of January, 1995.

LESSEE:

COCA-COLA BOTTLING CO. CONSOLIDATED

(CORPORATE SEAL) By: David V. Singer

Attest: (sig. of Patricia A Gill) Title: Vice President & CFO

Title: Assistant Secretary

Accepted in Atlanta, Georgia, this 27 day of January, 1995.

LESSOR:

COCA-COLA FINANCIAL CORPORATION

By: (sig. of Nuala M. King)

Title: President

CERTIFICATE OF ACCEPTANCE

This Certificate of Acceptance is executed and delivered under and pursuant to the terms of that certain Master Equipment Lease dated February 9, 1993 (the "Lease") between Coca-Cola Financial Corporation ("Lessor") and Coca-Cola Bottling Co. Consolidated ("Lessee"). This Certificate of Acceptance shall be deemed to be a part of, and shall be governed by, the terms and conditions of the Lease and words and phrases defined in the Lease shall have the same meanings in this Certificate of Acceptance.

The undersigned, the Lessee under the Lease, acknowledges and agrees that the Equipment described on the manufacturers' invoices summarized on the attached Exhibit "A", has been delivered to Lessee and installed and has been accepted by the Lessee under and pursuant to and subject to all terms and conditions of the Lease, and that such Equipment is in good order and condition and is of the manufacture, design and capacity selected by Lessee and is suitable for Lessee's purposes. Lessee understands that Lessor is relying on the foregoing certification in its purchase of such Equipment and, to induce Lessor to purchase such Equipment, Lessee agrees that it will settle all claims, defenses, set-offs and counterclaims it may have with the manufacturer directly with the manufacturer and will not assert any thereof against Lessor, that its obligation to Lessor is absolute, and that Lessor is neither the manufacturer, distributor nor seller of such Equipment.

This Certificate of Acceptance does not and shall not limit, abrogate or detract from any rights or claims against any manufacturer or vendor of the Equipment including, but not limited to, any warranties or representations written or oral, statutory, express or implied.

IN WITNESS WHEREOF, Lessee has caused this Certificate of Acceptance to be executed and delivered by its duly authorized officers, the 17th day of January, 1995.

(CORPORATE SEAL) LESSEE: COCA-COLA BOTTLING CO. CONSOLIDATED

Attest: (sig. of Patricia A. Gill) By: David V. Singer
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Patricia A. Gill
Title: Assistant Secretary Title: Vice President & CFO

EXHIBIT 10.91

TREASURY BOND 7.53%
RENTAL FACTOR 3.31973%
LEASE FUNDING NO: 95001

LEASE SUPPLEMENT TO
MASTER EQUIPMENT LEASE (the"Master Lease")
BETWEEN
COCA-COLA FINANCIAL CORPORATION ("Lessor")
AND
COCA-COLA BOTTLING CO CONSOLIDATED ("Lessee")
DATED: FEBRUARY, 9 1993

1. TERM

The "Initial Term" shall commence on the 8th day of February,1995 ("Lease Commencement Date") and will continue for a term of one hundred eight (108) months ending on 8th day of February,2004.

2. RENT

(a) BASIC RENT : As Basic Rent hereunder, Lessee shall pay an aggregate rental charge of $1,669,118.76 payable in arrears in thirty-six (36) quarterly installments of $ 46,364.41 each beginning on May 8, 1995 and continuing on the same day of each calendar quarter thereafter during the Initial Term with the final such installment being due and payable on February 8th 2004.

(b) INTERIM RENT : Lessee shall pay Lessor Interim Rent on all payments made by Lessor for Equipment from the date of Lessor's payment, if paid prior to the Lease Commencement Date until the Lease Commencement Date. Interim Rent shall be calculated from the date of such payment on the basis of a rate which shall be the lesser of (i) a daily rate of .00037 per dollar so paid by Lessor, (which rate is based on the rate implied by the Basic Rent amount set forth above), or (ii) a per annum rate applied to the amount so paid by Lessor equal to the "Prime Rate" as published in The Wall Street Journal on the last business day prior to the date of such payment by Lessor. Interim Rent shall be payable in full on the Lease Commencement Date.

(c) SUPPLEMENTAL RENT: In addition to Basic Rent and Interim Rent, Lessee shall pay Lessor all Supplemental Rent provided for in the Master Lease including, without limitation, all applicable sales and use taxes.

3. Location of the Equipment

The location(s) of the Equipment leased is (are) set forth on Exhibit "A" attached hereto.

4. Equipment Leased

The equipment leased is described on each equipment invoice and installation notification subject to this Lease Supplement. The supporting equipment invoices, installation notifications and equipment serial numbers are summarized on Exhibit "A" attached hereto.

5. Stipulated Loss Value

The "Stipulated Loss Value" of each item of Equipment, as of any particular date of computation, shall be determined with reference to Exhibit "B" attached hereto by multiplying the original cost of such item of Equipment as stated on Exhibit "A" hereto by the percentage of the cost of such item set forth opposite the applicable month number on Exhibit "B" hereto. For this purpose the applicable month number means the number of months or partial months elapsed since the Lease Commencement Date. If only a portion of an item of Equipment is affected by any event causing calculation of "Stipulated Loss Value" as specified in the Master Lease, and the cost of such portion of the Equipment cannot be readily determined from the original cost of such item set forth on Exhibit A, then the Stipulated Loss Value for such portion of the Equipment shall be as reasonably calculated by Lessor with written notice of such amount being sent to Lessee by Lessor.

6. Lease

This Lease Supplement is executed and delivered under and pursuant to the terms of the Master Lease and this Lease Supplement shall be deemed to be a part of and shall be governed by the terms and conditions of the Master Lease. For purposes of this Lease Supplement, capitalized terms which are used herein but which are not otherwise defined herein shall have the meanings ascribed to such terms in the Master Lease.

IN WITNESS WHEREOF, Lessee has caused this Lease Supplement to be duly executed and delivered by its duly authorized officers, this 8th day of February, 1995.

LESSEE:

COCA-COLA BOTTLING CO. CONSOLIDATED

(CORPORATE SEAL)

By: (sig. of Steven D. Westphal)

Steven D. Westphal

Title: Vice President & Controller

Attest: (sig. of Patricia A. Gill)

Title: Assistant Secretary

Accepted in Atlanta, Georgia, this ____ day of _____,1995.

LESSOR:

COCA-COLA FINANCIAL CORPORATION

A. Balfour
By: _____

Title: Operations Manager

CERTIFICATE OF ACCEPTANCE

This Certificate of Acceptance is executed and delivered under and pursuant to the terms of that certain Master Equipment Lease dated February 9, 1993 ("the Lease") between Coca-Cola Financial Corporation ("Lessor") and Coca-Cola Bottling Co. Consolidated ("Lessee"). This Certificate of Acceptance shall be deemed to be a part of, and shall be governed by, the terms and conditions of the Lease and words and phrases defined in the Lease shall have the same meanings in this Certificate of Acceptance.

The undersigned, the Lessee under the Lease, acknowledges and agrees that the Equipment described on the manufacturers' invoices summarized on the attached Exhibit "A", has been delivered to Lessee and installed and has been accepted by the Lessee under and pursuant to and subject to all terms and conditions of the Lease, and that such Equipment is in good order and condition and is of the manufacture, design and capacity selected by Lessee and is suitable for Lessee's purposes. Lessee understands that Lessor is relying on the foregoing certification in its purchases of such Equipment and ,to induce Lessor to purchase such Equipment, Lessee agrees that it will settle all claims, defenses, set-offs and counterclaims it may have with the manufacturer directly with the manufacturer and will not assert any thereof against Lessor, that its obligation to Lessor is absolute, and that Lessor is neither the manufacturer, distributor nor seller of such Equipment.

This Certificate of Acceptance does not and shall not limit, abrogate or detract from any rights or claims against any manufacturer or vendor of the Equipment including, but not limited to any warranties or representations written or oral, statutory, express or implied.

IN WITNESS WHEREOF, Lessee has caused this Certificate of Acceptance to be executed and delivered by its duly authorized officers, the 8th day of February, 1995.

(CORPORATE SEAL)

LESSEE COCA-COLA BOTTLING CO. CONSOLIDATED

Attest: (sig. of Patricia A Gill)

By: (sig. Steven D. Westphal)

Title : Assistant Secretary

Title: Vice President & Controller

Coca-Cola Bottling Co. Consolidated

TO

NationsBank of Georgia, National Association,
Trustee

Supplemental Indenture

Dated as of March 3, 1995

TABLE OF CONTENTS

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 reason able 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 a p p roving 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 d u e 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.

* * * * * * *

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
ATTEST: Vice President and Treasurer

s/ Patricia A. Gill
Patricia A. Gill, Assistant Secretary
[Corporate Seal]

NATIONSBANK OF GEORGIA,
NATIONAL ASSOCIATION, AS TRUSTEE

By: s/ Sandra C. Carreker
ATTEST: Vice President

s/ Elizabeth T. Talley

[Corporate Seal]

EXHIBIT 21.1

LIST OF SUBSIDIARIES

INVESTMENT IN	STATE/DATE INCORPORATION	OWNED BY	PERCENT OWNERSHIP
Columbus Coca-Cola Bottling Company	Delaware 7/10/84	Consolidated	100%
Coca-Cola Bottling Co. of Nashville, Inc.	Delaware 2/5/85	Consolidated	100%
Coca-Cola Bottling Co. of Roanoke, Inc.	Delaware 2/5/85	Consolidated	100%
Coca-Cola Bottling Co. of Mobile, Inc.	Alabama 7/29/85	Consolidated	100%
Panama City Coca-Cola Bottling Company	Florida 10/5/31	Columbus CCBC, Inc.	100%
Case Advertising, Inc.	Delaware 2/19/88	Consolidated	100%
C C Beverage Packing, Inc.	Delaware 3/15/88	Consolidated	100%
Tennessee Soft Drink Production Company	Tennessee 12/22/88	CCBC of Nashville,Inc	100%
The Coca-Cola Bottling Company of West Virginia,Inc.	West Virginia 12/28/92	Consolidated	100%
Jackson Acquisitions, Inc.	Delaware 1/24/90	Consolidated	100%
CCBCC, Inc.	Delaware 12/20/93	Consolidated	100%
Sunbelt Coca-Cola Bottling Company, Inc.	Delaware 7/24/80	Consolidated	100%
Coca-Cola Bottling Co. Affiliated, Inc.	Delaware 4/18/35	Sunbelt	100%
Metrolina Bottling Company	Delaware 5/21/93	Consolidated	100%
COBC, Inc.	Delaware 11/23/93	Columbus Coca-Cola Bottling Company	100%
ECBC,Inc.	Delaware 11/23/93	Coca-Cola Bottling Co. Affiliated, Inc.	100%
MOBC,Inc.	Delaware 11/23/93	Coca-Cola Bottling Co. of Mobile, Inc.	100%
NABC, Inc.	Delaware 11/23/93	Coca-Cola Bottling Co. of Nashville, 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%
WCBC,Inc.	Delaware 11/23/93	Coca-Cola Bottling Co. Affiliated, Inc.	100%
WVBC, Inc.	Delaware 11/23/93	The Coca-Cola Bottling Company of West Virginia,Inc.	100%
Coca-Cola Ventures, Inc.	Delaware 6/17/93	Coca-Cola Bottling Co. Affiliated,Inc.	100%
Whirl-i-Bird, Inc.	Tennessee 11/3/86	Consolidated	100%

EXHIBIT 23.1

Consent of Independent Accountants

We hereby consent to the incorporation by reference in the Prospectus constituting part of the Registration Statement on Form S-3 (No.33-4325) and Registration Statement on Form S-3 (No.33-54657) of our report dated February 24,1995 appearing in this filing of Coca-Cola Bottling Co. Consolidated's annual report on Form 10-K for the fiscal year ended January 1, 1995. We also consent to the reference to us under the heading "Experts" in such Prospectus.

Price Waterhouse LLP

Charlotte, North Carolina
March 31, 1995

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This schedule contains summary financial information extracted from the financial statements as of and for the year ended January 1, 1995 and is qualified in its entirety by reference to such financial statements.

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	YEAR
	JAN-01-1995
	JAN-01-1995
	1,812
	0
	8,156
	400
	31,871
	59,622
	327,052
	141,419
	664,159
	78,164
	432,971
	12,055
	0
	0
	21,926
	664,159
	723,896
	723,896
	427,140
	427,140
	241,048
	0
	31,385
	24,386
	10,239
	14,147
	0
	0
	(2,211)
	11,936
	1.28
	0