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 December 31, 2000

Commission file number 0-9286

Coca-Cola Bottling Co. Consolidated
(Exact name of Registrant as specified in its charter)

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

4100 Coca-Cola Plaza,
Charlotte, North Carolina 28211
(Address of principal executive offices) (Zip Code)

(704) 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 the Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. X

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

	Market Value as of March 9, 2001
Common Stock, $l.00 par value	$172,159,021
Class B Common Stock, $l.00 par value	*

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

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

Class	Outstanding as of March 9, 2001
Common Stock, $1.00 Par Value	6,392,277
Class B Common Stock, $1.00 Par Value	2,361,052

Documents Incorporated by Reference

Portions of Proxy Statement to be filed pursuant to Section 14 of the Exchange Act with respect to the 2001 Annual Meeting of Stockholders ..... Part III, Items 10-13

PART I

Item 1 -- Business

Introduction and Recent Developments

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

The Company has grown significantly since 1984. In 1984, net sales were approximately $130 million. In 2000, net sales were approximately $995 million. The Company's bottling territory was concentrated in North Carolina prior to 1984. A series of acquisitions since 1984 have significantly expanded the Company's bottling territory. The more significant transactions since 1993 were as follows:

- July 2, 1993 -- Formation of Piedmont Coca-Cola Bottling Partnership ("Piedmont"). Piedmont is a joint venture owned equally by the Company and The Coca-Cola Company through their respective subsidiaries. Piedmont distributes and markets soft drink products, primarily in parts of North Carolina and South Carolina. The Company sold and contributed certain territories to Piedmont upon formation. The Company currently provides part of the finished product requirements for Piedmont and receives a fee for managing the operations of Piedmont pursuant to a management agreement.

- June 1, 1994 -- The Company executed a management agreement with South Atlantic Canners, Inc. ("SAC"), a manufacturing cooperative located in Bishopville, South Carolina. The Company is a member of the cooperative and receives a fee for managing the day-to-day operations of SAC pursuant to a 10-year management agreement. SAC significantly expanded its operations by adding two PET bottling lines in 1994. These bottling lines supply a portion of the Company's and Piedmont's volume requirements for finished product in PET containers.

- May 28, 1999 -- Acquisition of all the outstanding capital stock of Carolina Coca-Cola Bottling Company, Inc. which included bottling territory covering central South Carolina.

- September 29, 2000 -- Sale of bottling territory in Kentucky and Ohio.

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

The Coca-Cola Company currently owns an economic interest of approximately 28.4% and a voting interest of approximately 22.3% in the Company. J. Frank Harrison, Jr., J. Frank Harrison, III and Reid M. Henson (as trustee of certain trusts), J. Frank Harrison Family LLC and the Harrison Family Limited Partnerships are parties to a Voting Agreement and Irrevocable Proxy with The Coca-Cola Company pursuant to which, among other things, Mr. Harrison, III has been granted an Irrevocable Proxy for life concerning the shares of Common Stock and Class B Common Stock owned by The Coca-Cola Company.

General

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

The Company also distributes and markets under Marketing and Distribution Agreements POWERaDE, Cool from Nestea, Fruitopia and Minute Maid Juices To Go in certain of its markets. In April 1999, the Company began producing and distributing Dasani bottled water, another product from The Coca-Cola Company. The Company produces and markets Dr Pepper in most of its regions. Various other products, including Seagrams' products and Sundrop, are produced and marketed in one or more of the Company's regions under agreements with the companies that manufacture the concentrate for those beverages. In addition, the Company also produces soft drinks for other Coca-Cola bottlers.

The Company's principal soft drink is Coca-Cola classic. During the last three fiscal years, sales of products under the Coca-Cola trademark have accounted for more than half of the Company's soft drink sales. In total, the products of The Coca-Cola Company accounted for approximately 90% of the Company's soft drink sales during 2000.

Beverage Agreements

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

Bottle Contracts. The Company is party to standard bottle contracts with The Coca-Cola Company for each of its bottling territories (the "Bottle Contracts") which provide that the Company will purchase its entire requirement of concentrates and syrups for Coca-Cola classic, caffeine free Coca-Cola classic, diet Coke, caffeine free diet Coke, Cherry 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 refillable and non-refillable 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 charges for syrup or concentrate under the Bottle Contracts is set by The Coca-Cola Company from time to time. Except as provided in the Supplementary Agreement described below, there are no limitations on prices for concentrate or syrup. Consequently, the prices at which the Company purchases concentrates and syrup under the Bottle Contracts may vary materially from the prices it has paid during the periods covered by the financial information included in this report.

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

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

The Coca-Cola Company has no obligation under the Bottle Contracts to participate with the Company in expenditures for advertising and marketing. As it has in the past, The Coca-Cola Company may contribute to such expenditures and undertake independent advertising and marketing activities, as well as cooperative advertising and sales promotion programs

which require mutual cooperation and financial support of the Company. The future levels of marketing support and promotional funds provided by The Coca-Cola Company may vary materially from the levels provided during the periods covered by the financial information included in this report.

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

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

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

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

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

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

Allied Bottle Contracts. Other contracts with The Coca-Cola Company (the "Allied Bottle Contracts") grant similar exclusive rights to the Company with respect to the distribution of Sprite, Mr. PiBB, Surge, Citra, Mello Yello, diet Mello

Yello, Fanta, TAB, diet Sprite, sugar free Mr. PiBB, Fresca, POWERaDE, 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.

The Coca-Cola Company purchased all rights of Barq's, Inc. under its Bottler's Agreements with the Company. These contracts cover both Barq's Root Beer and diet Barq's Root Beer and remain in effect unless terminated by The Coca-Cola Company for breach by the Company of their terms, insolvency of the Company or the failure of the Company to manufacture, bottle and sell the products for 15 consecutive days or to purchase extract for a period of 120 consecutive days.

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

Other Bottling Agreements. The bottling agreements from most other soft drink franchisers are similar to those described above in that they are renewable at the option of the Company and the franchisers. The price the franchisers may charge for syrup or concentrate is set by the franchisers from time to time. They also contain similar restrictions on the use of trademarks, approved bottles, cans and labels and sale of imitations or substitutes as well as termination for cause provisions. Sales of beverages by the Company under these agreements represented approximately 10% of the Company's sales for fiscal year 2000.

The territories covered by the Allied Bottle Contracts and by bottling agreements for products of franchisers other than The Coca-Cola Company in most cases correspond with the territories covered by the Bottle Contracts. The variations do not have a material effect on the Company's business.

Markets and Production and Distribution Facilities

As of March 1, 2001, the Company held bottling rights from The Coca-Cola Company covering the majority of central, northern and western North Carolina, and portions of Alabama, Mississippi, Tennessee, Kentucky, Virginia, West Virginia, Pennsylvania, South Carolina, Georgia and Florida. The total population within the Company's bottling territory is approximately 13.6 million.

As of March 1, 2001, the Company operated in six principal geographical regions. Certain information regarding each of these markets follows:

1. North Carolina/South 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 and a portion of central South Carolina, including Sumter. The region has an estimated population of 6.2 million. Production/ distribution facilities are located in Charlotte and 17 other distribution facilities are located in the region.

2. South Alabama. This region includes a portion of southwestern Alabama, including Mobile and surrounding areas, and a portion of southeastern Mississippi. The region has an estimated population of 1.1 million. 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 including Columbus, Georgia and surrounding areas, and a portion of the Florida Panhandle. This region has an estimated population of 1.0 million. A distribution facility is located in Columbus, Georgia and four other distribution facilities are located in the region.

4. Middle Tennessee. This region includes a portion of central Tennessee, including Nashville and surrounding areas, a small portion of southern Kentucky and a small portion of northwest Alabama. The region has an estimated population of 2.0 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 Roanoke and surrounding areas, a portion of the southern piedmont of Virginia, a portion of northeastern Tennessee and a portion of southeastern West Virginia. The region has an estimated population of 1.5 million. A production/distribution facility is located in Roanoke and eight other distribution facilities are located in the region.

6. West Virginia. This region includes most of the state of West Virginia and a portion of southwestern Pennsylvania. The region has an estimated population of 1.8 million. There are nine distribution facilities located in the region.

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

In July 1993, the Company sold the majority of the South Carolina bottling territory that it then owned to Piedmont. Pursuant to a management agreement, the Company produces a portion of the soft drink products for Piedmont. The Company currently owns a 50% interest in Piedmont. Piedmont's bottling territory covers parts of eastern North Carolina and most of South Carolina (other than portions of central South Carolina). This region has an estimated population of 4.3 million.

On June 1, 1994, the Company executed a management agreement with SAC, a manufacturing cooperative located in Bishopville, South Carolina. The Company is a member of the cooperative and receives a fee for managing the day-to-day operations of SAC pursuant to a 10-year management agreement. Management fees from SAC were $1.0 million, $1.3 million and $1.2 million in 2000, 1999 and 1998, respectively. SAC significantly expanded its operations by adding two PET bottling lines in 1994. The bottling lines supply a portion of the Company's and Piedmont's volume requirements for finished products in PET containers. In 1994, the Company executed member purchase agreements with SAC that require minimum annual purchases of canned product, 20 ounce PET product, 2 liter PET product and 3 liter PET product by the Company of approximately $40 million.

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

Raw Materials

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

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

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

None of the materials or supplies used by the Company is in short supply, although the supply of specific materials 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 2000, approximately 76% of the Company's physical case volume was in the take-home channel through supermarkets, convenience stores, drug stores and other retail outlets. The remaining volume was 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 the major competitive techniques in the soft drink industry in recent years and have required and are expected to continue to require substantial expenditures. Product introductions in the last three years include Citra and Dasani. New product introductions have resulted in increased operating costs for the Company due to special marketing efforts, obsolescence of replaced items and, in some cases, higher raw materials costs.

After new package introductions in recent years, the Company sells its soft drink products primarily in non-refillable bottles and cans, in varying proportions from market to market. There may be as many as thirteen different packages for Coca-Cola classic within a single geographical area. Physical unit sales of soft drinks during fiscal year 2000 were approximately 52% cans, 46% non-refillable bottles and 2% pre-mix.

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

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

Seasonality

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

Competition

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

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

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-refillable 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 South Carolina, West Virginia and Tennessee for several years. North Carolina's soft drink tax was reduced beginning in 1996 and eliminated in July 1999. The South Carolina soft drink tax has been repealed and is being phased out ratably over a six-year period beginning July 1, 1996.

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 1, 2001, the Company had approximately 5,500 full-time employees, of whom approximately 410 were union members. The total number of employees is approximately 6,300.

Less than 10% of the Company's labor force is currently covered by collective bargaining agreements. Three collective bargaining contracts covering approximately 1% of the Company's employees expire during 2001.

In March 2000, at the end of a collective bargaining agreement in Huntington, West Virginia, the Company and Teamsters Local Union 505 were unable to reach agreement on wages and benefits. The union elected to strike and other Teamster-represented sales centers in West Virginia joined in a sympathy strike. As of August 7, 2000, the Company and the respective local unions settled all outstanding issues.

Item 2 -- Properties

The principal properties of the Company include its corporate headquarters, its four production/distribution facilities and its 51 distribution centers. The Company owns two production/distribution facilities and 45 distribution centers, and leases its corporate headquarters, two other production/distribution facilities and six distribution centers.

The Company leases its 110,000 square foot corporate headquarters and a 65,000 square foot adjacent office building from an affiliate for a ten-year term expiring January 2009. Total rent expense for these facilities was $3.6 million in 2000.

The Company leases its 542,000 square foot Snyder Production Center and an adjacent 105,000 square foot distribution center in Charlotte, North Carolina from an affiliate for a ten-year term expiring in December 2010. Rent expense under this lease and a predecessor lease (which covered the Snyder Production Center only) totaled $2.9 million in 2000.

The Company also leases its 297,500 square foot production/distribution facility in Nashville, Tennessee. The lease requires monthly payments through 2009. Rent expense under this lease totaled $.4 million in 2000.

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

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

The current percentage utilization of the Company's production centers as of March 1, 2001 is approximately as indicated below:

Production Facilities

Location	Percentage Utilization*
Charlotte, North Carolina	77%
Mobile, Alabama	56%
Nashville, Tennessee	60%
Roanoke, Virginia	71%

*Estimated 2001 production divided by capacity (based on operations of 6 days per week and 16 hours per day).

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

The Company's products are transported to distribution centers for storage pending sale. The number of distribution facilities by market area as of March 1, 2001 is as follows:

Distribution Facilities

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

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 2,900 vehicles in the sale and distribution of its soft drink products, of which approximately 1,350 are route delivery trucks. In addition, the Company owns or leases approximately 176,000 soft drink dispensing and vending machines for the sale of its soft drink products in its bottling territories.

Item 3 -- Legal Proceedings

On August 3, 1999, North American Container, Inc. ("NAC") filed a Complaint For Patent Infringement and Jury Demand (the "Complaint") against the Company and a number of other defendants in the United States District Court for the Northern District of Texas, Dallas Division, alleging that certain unspecified blow-molded plastic containers used, made, sold, offered for sale and/or used by the Company and other defendants infringe certain patents owned by the plaintiff. NAC seeks an unspecified amount of compensatory damages for prior infringement, seeks to have those damages trebled, seeks pre-judgment and post-judgment interest, seeks attorneys fees and seeks an injunction prohibiting future infringement and ordering the destruction of all infringing containers and machinery used in connection with the manufacture of the infringing products. The original Complaint names forty-two other defendants, including Plastipak Packaging, Inc., Constar International, Inc., Constar Plastics, Inc., Continental PET Technologies, Inc., Southeastern Container, Inc., Western Container, Inc., The Quaker Oats Company and others. Additional defendants have been added by amendment. The Complaint covers many channels of trade relevant to the PET bottle industry, including licensors, manufacturers, bottlers, bottled product manufacturers and retail sellers of end product. The Company has obtained partial indemnification from its suppliers for all damages it may incur in connection with this proceeding. The Company has filed an answer to the Complaint, as amended, and has denied the material allegations of NAC and seeks recovery of attorney fees by having the case declared exceptional. The Company has also filed a counterclaim seeking a declaration of invalidity and non-infringement. A claims construction hearing was held in December 2000. The Court-appointed Special Master has advised the Company to expect a ruling in April 2001.

Item 4 -- Submission of Matters to a Vote of Security Holders

There were no matters submitted to a vote of security holders during the fourth quarter of the fiscal year ended December 31, 2000.

EXECUTIVE OFFICERS OF THE REGISTRANT

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

The following is a list of names and ages of all the executive officers of the Registrant as of March 1, 2001, indicating all positions and offices with the Registrant held by each such person. All officers have served in their present capacities for the past five years except as otherwise stated.

J. FRANK HARRISON, III, age 46, is Chairman of the Board of Directors and Chief Executive Officer of the Company. Mr. Harrison was appointed Chairman of the Board of Directors in December 1996. Mr. Harrison served in the capacity of Vice Chairman from November 1987 through December 1996 and was appointed as the Company's Chief Executive Officer in May 1994. He was first employed by the Company in 1977, and has served as a Division Sales Manager and as a Vice President of the Company. Mr. Harrison, III is a Director of Wachovia Bank & Trust Co., N.A., Southern Region Board. He is Vice Chairman of the Executive Committee and Vice Chairman of the Finance Committee.

JAMES L. MOORE, JR., age 58, is Vice Chairman of the Board of Directors of the Company, a position he was appointed to in January 2001. Prior to that time, Mr. Moore had served as President and Chief Operating Officer of the Company. Mr. Moore is a Director of Park Meridian Financial Corp. He has served as a Director of the Company since March 1987. Mr. Moore is Chairman of the Retirement Benefits Committee and a member of the Executive Committee.

WILLIAM B. ELMORE, age 45, is President and Chief Operating Officer and a Director of the Company, positions he has held since January 2001. Previously, he was Vice President, Value Chain since July 1999 and Vice President, Business Systems from August 1998 to June 1999. He was Vice President, Treasurer from June 1996 to July 1998. He was Vice President, Regional Manager for the Virginia Division, West Virginia Division and Tennessee Division from August 1991 to May 1996. Mr. Elmore is a member of the Executive Committee and the Retirement Benefits Committee.

ROBERT D. PETTUS, JR., age 56, is Executive Vice President and Assistant to the Chairman, a position to which he was appointed in January 1997. Mr. Pettus was previously Vice President, Human Resources, a position he held since September 1984.

DAVID V. SINGER, age 45, is Executive Vice President and Chief Financial Officer, a position to which he was appointed in January 2001. He was previously Vice President and Chief Financial Officer, a position he had held since October 1987.

M. CRAIG AKINS, age 50, is Vice President, Field Sales, a position he has held since December 1999. Prior to that, he was Regional Vice President, Sales, a position he had held since June 1996. He was previously Vice President, Cold Drink Market, a position he was appointed to in October 1993.

CLIFFORD M. DEAL, III, age 39, is Vice President and Treasurer, a position he has held since June 1999. Previously, he was Director of Compensation and Benefits from October 1997 to May 1999. He was Corporate Benefits Manager from December 1995 to September 1997. From November 1993 to November 1995 he was Manager of Tax Accounting.

NORMAN C. GEORGE, age 45, is Vice President, Marketing and National Sales, a position he was appointed to in December 1999. Prior to that he was Vice President, Corporate Sales, a position he had held since August 1998. Previously, he was Vice President, Sales for the Carolinas South Region, a position he held beginning in November 1991.

RONALD J. HAMMOND, age 45, is Vice President, Value Chain, a position he was appointed to in January 2001. Prior to that he was Vice President, Manufacturing, a position he had held since September 1999. Before joining the Company, he was Vice President, Operations, Asia Pacific at Pepsi-Cola International, a division of Pepsico, where he was an employee since 1981.

KEVIN A. HENRY, age 33, is Vice President, Human Resources, a position he has held since February 2001. Prior to joining the Company he was Senior Vice President, Human Resources at Nationwide Credit Inc., where he was an employee since January 1997. Prior to that he was Director, Human Resources, at Office Depot Inc. since December 1994.

UMESH M. KASBEKAR, age 43, is Vice President, Planning and Administration, a position he has held since January 1995.

C. RAY MAYHALL, JR., age 53, is Vice President, Distribution and Technical Services, a position he was appointed to in December 1999. Prior to that he was Regional Vice President, Sales, a position he had held since November 1992.

LAUREN C. STEELE, age 46, is Vice President, Corporate Affairs, a position he has held since May 1989. He is responsible for governmental, media and community relations for the Company.

STEVEN D. WESTPHAL, age 46, is Vice President and Controller of the Company, a position he has held since November 1987.

JOLANTA T. ZWIREK, age 45, is Vice President and Chief Information Officer, a position she has held since June 1999. Prior to joining the Company, she was Vice President and Chief Technology Officer for Bank One during a portion of 1999. Prior to that, she was a Senior Director in the Information Services organization at McDonald's Corporation, where she was an employee since 1984.

PART II

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

The Company has two classes of common stock outstanding, Common Stock and Class B Common Stock. The Common Stock is traded on the Nasdaq National Market tier of the Nasdaq Stock Market(R) 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			
	2000		1999	
	High	Low	High	Low
First quarter	$ 53.00	$ 46.50	$ 59.50	$ 54.50
Second quarter	52.75	41.38	57.63	52.88
Third quarter	47.75	36.50	60.00	55.75
Fourth quarter	45.00	32.05	56.94	45.00

The quarterly dividend rate of $.25 per share on both Common Stock and Class B Common Stock shares was maintained throughout 1999 and 2000.

Pursuant to the Company's Certificate of Incorporation, no cash dividend or dividend of property or stock other than stock of the Company may be declared and paid, per share, on the Class B Common Stock unless a dividend of an amount greater than or equal to such cash or property or stock has been declared and paid on the Common Stock. The Company may pay a dividend of stock of the Company on the Class B Common Stock if an equal number of shares of either Common Stock or Class B Common Stock (irrespective of the class of stock paid on the Class B Common Stock) is paid on the Common Stock.

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

The number of stockholders of record of the Common Stock and Class B Common Stock, as of March 9, 2001, was 3,254 and 13, respectively.

On March 7, 2001, the Compensation Committee certified that 20,000 shares of restricted Class B Common Stock, $1.00 par value, vested and should be issued pursuant to an award to J. Frank Harrison, III, for his services as Chairman of the Board of Directors and Chief Executive Officer of the Company. This award was approved by the Company's stockholders in 1999. The shares were issued without registration under the Securities Act of 1933 in reliance on Section 4(2) thereof. Class B Common Stock is convertible into Common Stock on a share-for-share basis at the option of the holder.

Item 6 -- Selected Financial Data

The following table sets forth certain selected financial data concerning the Company for the five years ended December 31, 2000. The data for the five years ended December 31, 2000 is derived from audited financial statements of the Company. This information should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" set forth in Item 7 hereof and is qualified in its entirety by reference to the more detailed financial statements and notes contained in Item 8 hereof. This information should also be read in conjunction with the "Introduction and Recent Developments" section in Item 1 hereof.

SELECTED FINANCIAL DATA*

In Thousands (Except Per Share Data)	Fiscal Year**				
	2000	1999	1998	1997	1996
Summary of Operations					
Net sales	$ 995,134	$ 972,551	$928,502	$802,141	$773,763
Cost of sales	530,241	543,113	534,919	452,893	435,959
Selling, general and administrative expenses	323,223	291,907	276,245	239,901	236,527
Depreciation expense	64,751	60,567	37,076	33,783	28,608
Amortization of goodwill and intangibles	14,712	13,734	12,972	12,221	12,158
Restructuring expense		2,232			
Total costs and expenses	932,927	911,553	861,212	738,798	713,252
Income from operations	62,207	60,998	67,290	63,343	60,511
Interest expense	53,346	50,581	39,947	37,479	30,379
Other income (expense), net	974	(5,431)	(4,098)	(1,594)	(4,433)
Income before income taxes	9,835	4,986	23,245	24,270	25,699
Income taxes	3,541	1,745	8,367	9,004	9,535
Net income	$ 6,294	$ 3,241	$ 14,878	$ 15,266	$ 16,164
Basic net income per share	$ .72	$ .38	$ 1.78	$ 1.82	$ 1.74
Diluted net income per share	$ .71	$ .37	$ 1.75	$ 1.79	$ 1.73
Cash dividends per share:					
Common	$ 1.00	$ 1.00	$ 1.00	$ 1.00	$ 1.00
Class B Common	$ 1.00	$ 1.00	$ 1.00	$ 1.00	$ 1.00
Other Information					
Weighted average number of common shares outstanding	8,733	8,588	8,365	8,407	9,280
Weighted average number of common shares outstanding -- assuming dilution	8,822	8,708	8,495	8,509	9,330
Year-End Financial Position					
Total assets	$1,062,097	$1,108,392	$822,702	$775,507	$699,870
Long-term debt	682,246	723,964	491,234	493,789	439,453
Stockholders' equity	28,412	30,851	14,198	7,685	20,681

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* See Management's Discussion and Analysis in Item 7 hereof for additional information.

** All years presented are 52-week years except 1998 which is a 53-week year. See Note 3 and Note 15 to the consolidated financial statements for additional information about Piedmont Coca-Cola Bottling Partnership.

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

Introduction

The Company

Coca-Cola Bottling Co. Consolidated (the "Company") is engaged in the production, marketing and distribution of products of The Coca-Cola Company, which include some of the most recognized and popular beverage brands in the world. The Company is currently the second largest bottler of products of The Coca-Cola Company in the United States. The Company also distributes several other beverage brands. The Company's product offerings include carbonated soft drinks, teas, juices, isotonics and bottled water. The Company has expanded its bottling territory primarily throughout the Southeast via acquisitions and, combined with internally generated growth, has increased its sales from $130 million in 1984 to almost $1 billion in 2000. The Company is also a partner with The Coca-Cola Company in a partnership that operates additional bottling territory with net sales of $287 million in 2000.

Acquisitions and Divestitures

During 2000, the Company sold most of its bottling territory in Kentucky and Ohio to another Coca-Cola bottler. After a management review of the Company's operations, it was determined that this territory could be operated more efficiently by another Coca-Cola bottler due primarily to geographic proximity to the customers. Without the requirement to service this territory, the Company was able to reorganize operations in its West Virginia territory to further improve efficiencies. Management believes that the combination of the proceeds from the sale and the efficiencies gained will lead to higher profitability and better returns in this part of our bottling territory.

During 1999 and 1998, the Company expanded its bottling territory by acquiring four Coca-Cola bottlers as follows:

- Carolina Coca-Cola Bottling Company, Inc., a Coca-Cola bottler with operations in central South Carolina in May 1999;
- The bottling rights and operating assets of a small Coca-Cola bottler in north central North Carolina in May 1999;
- Lynchburg Coca-Cola Bottling Co., Inc., a Coca-Cola bottler with operations in central Virginia in October 1999; and
- The bottling rights and operating assets of a Coca-Cola bottler located in Florence, Alabama in January 1998.

Acquisition related costs including interest expense and non-cash charges such as amortization of intangible assets will be incurred. To the extent these expenses are incurred and not offset by cost savings or increased sales, the Company's acquisition strategy may depress short-term earnings. The Company believes that continued growth through select acquisitions will enhance long-term stockholder value.

New Accounting Pronouncements

The Financial Accounting Standards Board ("FASB") has issued Statement No. 133, "Accounting for Derivative Instruments and Hedging Activities." As subsequently amended by FASB Statement No. 138, Statement No. 133 is effective for all fiscal quarters of all fiscal years beginning after June 15, 2000. Statement No. 133 will require the Company to recognize all derivatives on the balance sheet at fair value. Derivatives that are not hedges must be adjusted to fair value through income. If the derivative is a hedge, depending on the nature of the hedge, changes in the fair value of derivatives will either be offset against the change in fair value of the hedged assets, liabilities or firm commitments through earnings or recognized in other comprehensive income until the hedged item is recognized in earnings. The ineffective portion of a derivative's change in fair value will be immediately recognized in earnings. The Company will adopt the provisions of Statement No. 133 in the first quarter of 2001. The adoption of Statement No. 133 will not have a material impact on the earnings and financial position of the Company.

The Year in Review

The year 2000 was a transitional year for the Company. During the latter part of the 1990's, the Company experienced above industry average volume growth. However, net selling prices had not increased, even at the rate of inflation. During 2000, the Company was faced with significant cost increases for concentrate, certain packaging materials and fuel. Additionally, marketing support the Company had historically received from The Coca-Cola Company was adjusted downward significantly and interest rates on the Company's floating rate debt increased. In the face of the aforementioned cost increases, the Company raised its net selling prices during the year by approximately 6.5% over 1999.

As with most consumer products, increases in selling prices temporarily dampened sales demand. The increase in prices was the primary driver behind a decline in unit sales volume of approximately 5% for the year on a constant territory basis. Unit sales volume declined 5.5% through the first three quarters of 2000. However, volume increased by 1% during the fourth quarter of the year.

Higher net selling prices more than offset volume declines and resulted in an increase in net sales of 2.3% in 2000 to $995 million. On a constant territory basis, net sales increased by approximately 1% in 2000. Income from operations plus depreciation and amortization increased from $135 million in 1999 to $142 million in 2000, an increase of 5%. Net income for 2000 increased to $6.3 million from $3.2 million in 1999. Net income for 2000 includes a gain, net of tax, of $5.6 million related to the sale of bottling territory previously discussed. During 2000, the Company also recorded a provision for impairment of certain fixed assets of $2.0 million, net of tax.

After several years of significant capital spending, the Company was well positioned in 2000 with a strong infrastructure to support the business. The investment in infrastructure in prior years allowed the Company to significantly reduce capital spending in 2000 to $49.2 million from over $264.1 million in 1999, which included approximately $155 million for the purchase of equipment that was previously leased. The Company anticipates capital spending to be lower in 2001 than it was in the late 1990's. As a result of increased cash flow from operations, reduced capital spending and the sale of bottling territory in Kentucky and Ohio, the Company reduced its long-term debt by approximately $60 million during 2000.

The Company continues to focus on its key long-term objectives including increasing per capita consumption, operating cash flow and stockholder value. We believe we will be able to achieve these objectives over the long-term because of superior products, a solid relationship with our strategic partner, The Coca-Cola Company, select acquisitions, an experienced management team and a work force of approximately 6,000 talented individuals working together as a team. We are committed to working with The Coca-Cola Company to ensure that we fully utilize our joint resources to maximize the full potential with our consumers and customers.

Significant Events of Prior Years

On June 1, 1994, the Company executed a management agreement with South Atlantic Canners, Inc. ("SAC"), a manufacturing cooperative located in Bishopville, South Carolina. The 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.

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 portion of the soft drink products to Piedmont and receives a fee for managing the business of Piedmont pursuant to a management agreement. The Company and The Coca-Cola Company, through their respective subsidiaries, each beneficially own a 50% interest in Piedmont. The Company is accounting for its investment in Piedmont using the equity method of accounting.

RESULTS OF OPERATIONS

2000 Compared to 1999

Net Income

The Company reported net income of $6.3 million or basic net income per share of $.72 for fiscal year 2000 compared to $3.2 million or $.38 basic net income per share for fiscal year 1999. Diluted net income per share for 2000 was $.71 compared to $.37 in 1999. Net income in 2000 included the gain on the sale of bottling territory discussed above, offset somewhat by a provision for impairment of certain fixed assets.

Net Sales and Gross Margin

Net sales for 2000 grew by 2.3% to $995 million, compared to $973 million in 1999. On a constant territory basis, net sales increased by approximately 1% due to an increase in net selling price for the year of approximately 6.5% partially offset by a decline in unit volume of approximately 5% for the year. Sales growth in 2000 was highlighted by the continued strong growth of Dasani bottled water. Noncarbonated products now account for almost 7% of the Company's bottle and can volume.

Gross margin increased by $35.5 million from 1999 to 2000 representing an 8% increase. The increase in gross margin was driven by higher selling prices, which more than offset a decline in unit volume as discussed above. The Company's gross margin as a percentage of sales increased from 44.2% in 1999 to 46.7% in 2000. On a per unit basis, gross margin increased 13% in 2000 over 1999.

Cost of Sales and Operating Expenses

Cost of sales on a per unit basis increased by approximately 2% in 2000. This increase was due to significantly higher costs for concentrate and increased packaging costs, offset somewhat by decreases in manufacturing labor and overhead expenses.

Selling, general and administrative ("S,G&A") expenses increased by $31.3 million or 11% in 2000 over 1999 levels primarily due to a reduction in marketing funding received from The Coca-Cola Company. Total marketing funding support from The Coca-Cola Company and other beverage companies declined from $63.5 million in 1999 to $49.0 million in 2000. The Company anticipates that marketing funding support in 2001 will be more consistent with amounts received in 2000 than amounts received in 1999. The balance of the increase in S,G&A expenses was due to enhancements in employee compensation programs, higher fuel costs, costs associated with a strike by employees in certain branches of the Company's West Virginia territory (primarily security costs to protect Company personnel and assets) and compensation expense related to a restricted stock award for the Company's Chairman and Chief Executive Officer.

The Company relies extensively on advertising and sales promotion in the marketing of its products. The Coca-Cola Company and other beverage companies that supply concentrates, syrups and finished products to the Company make substantial marketing and advertising expenditures to promote sales in the local territories served by the Company. The Company also benefits from national advertising programs conducted by The Coca-Cola Company and other beverage companies. Certain of the marketing expenditures by The Coca-Cola Company and other beverage companies are made pursuant to annual arrangements. Although The Coca-Cola Company has advised the Company that it intends to provide marketing funding support in 2001, it is not obligated to do so under the Company's master bottle contract. A portion of the marketing funding and infrastructure support from The Coca-Cola Company is subject to annual performance requirements. The Company is in compliance with all current performance requirements, as amended. Significant decreases in marketing support from The Coca-Cola Company or other beverage companies could adversely impact operating results of the Company.

Depreciation expense in 2000 increased $4.2 million or 7%. The increase for 2000 was due to significant capital expenditures in 1999 of $264.1 million, of which approximately $155 million related to the purchase of equipment that was previously leased. Capital expenditures in 2000 totaled $49.2 million. Depreciation expense should increase at a lower rate in future years than it has in the past three years due to anticipated lower levels of capital spending.

Investment in Partnership

The Company's share of Piedmont's net income in 2000 was $2.5 million. This compares to the Company's share of Piedmont's net loss of $2.6 million in 1999. The increase in income from Piedmont of $5.1 million reflects improved operating results at Piedmont primarily due to higher gross margin resulting from increased net selling prices.

Interest Expense

Interest expense increased by $2.8 million or 5.5% in 2000. The increase was primarily due to higher interest rates on the Company's floating rate debt. The Company's overall weighted average borrowing rate for 2000 was 7.3% compared to 6.8% in 1999. During 2000, the Company repaid approximately $60 million of its long-term debt. This reduction in long-term debt should reduce interest expense in 2001.

Other Income/Expense

Other income for 2000 was approximately $1 million, a change of $6.4 million versus other expense of $5.4 million in 1999. The change in other income (expense) in 2000 is primarily due to a gain on the sale of bottling territory of $8.8 million, before tax, as previously discussed, offset somewhat by a provision for impairment of certain fixed assets of $3.1 million, before tax.

Income Taxes

The effective tax rate for federal and state income taxes was approximately 36% in 2000 versus approximately 35% in 1999.

1999 Compared to 1998

Net Income

The Company reported net income of $3.2 million or basic net income per share of $.38 for fiscal year 1999 compared to $14.9 million or $1.78 basic net income per share for fiscal year 1998. Diluted net income per share for 1999 was $.37 compared to $1.75 in 1998. The decline in net income was primarily attributable to lower than anticipated volume growth and higher expenses related to the Company's investment in the infrastructure considered necessary to support accelerated long-term growth. Investments in additional personnel, vehicles and cold drink equipment resulted in cost increases that the Company anticipated would be offset by higher sales volume. Soft drink industry growth levels slowed significantly during 1999 and the Company's higher cost structure negatively impacted 1999 earnings. The Company reduced its workforce by approximately 5% in the fourth quarter of 1999 to reduce staffing costs.

Net Sales

Net sales for 1999 grew by approximately 5% to $973 million, compared to $929 million in 1998. The increase was due to volume growth of 2%, an increase in net selling price of 3% and acquisitions of additional bottling territories in South Carolina, North Carolina and Virginia. Also, the Company's 1998 fiscal year included a 53rd week. Sales growth in noncarbonated beverages, including POWERaDE, Fruitopia and Dasani bottled water remained strong in 1999. Sales to other bottlers decreased by 11% during 1999 over 1998 levels, primarily due to lower sales to Piedmont.

Cost of Sales and Operating Expenses

Cost of sales on a per case basis increased by approximately 1% in 1999. This increase was due to higher raw material costs, including concentrate and packaging costs, as well as increases in manufacturing labor and overhead resulting from wage rate increases and an increase in the number of stockkeeping units.

S,G&A expenses increased by approximately $16 million or 6% in 1999 over 1998 levels. Lease expense declined significantly in 1999 as compared to 1998 as a result of the purchase of approximately $155 million of equipment in January 1999 that had been previously leased. Excluding lease expense, S,G&A expenses increased by approximately $31 million or 12% in 1999. Increased S,G&A expenses resulted from higher employment costs for additional personnel to support anticipated volume growth and higher costs in certain of the Company's labor markets, offset somewhat by lower incentive accruals, as well as additional marketing expenses and higher costs for sales development programs. In addition, S,G&A expenses increased due to remediation and testing of Year 2000 issues of approximately $1 million and an increase in bad debt expense of $.4 million. Increased marketing funding support from The Coca-Cola Company of approximately $2 million mitigated a portion of the increase in S,G&A expenses.

Depreciation expense in 1999 increased $23.5 million or 63% over 1998. The increase was due to significant capital expenditures over the past several years, including $264.1 million in 1999, of which approximately $155 million related to the purchase of equipment that was previously leased.

A pre-tax restructuring charge of $2.2 million was recorded in the fourth quarter of 1999 consisting of employee termination benefit costs of $1.8 million and facility lease costs and other related expenses of $.4 million. The objectives of the restructuring were to consolidate and streamline sales divisions and reduce the overall operating expense base.

Investment in Partnership

The Company's share of Piedmont's net loss of $2.6 million increased from a loss of $.5 million in 1998. The increase in the loss reflected the impact of lower than expected volume growth in 1999 and higher infrastructure costs.

Interest Expense

Interest expense increased by $10.6 million or 27% in 1999 over 1998. The increase was due to additional debt related to the purchase of approximately $155 million of equipment that was previously leased, additional borrowings to fund acquisitions and capital expenditures. The Company's overall weighted average borrowing rate for 1999 was 6.8% compared to 7.1% in 1998.

Other Income/Expense

Other expense increased from $4.1 million in 1998 to $5.4 million in 1999. Approximately half of the increase in other expense from 1998 to 1999 related to net losses of Data Ventures LLC, in which the Company held a 31.25% equity interest. Data Ventures LLC provided certain computerized data management products and services to the Company related to inventory control and marketing program support.

Income Taxes

The effective tax rate for federal and state income taxes was approximately 35% in 1999 versus approximately 36% in 1998.

FINANCIAL CONDITION

Total assets decreased from $1.11 billion at January 2, 2000 to $1.06 billion at December 31, 2000. The decrease was primarily due to depreciation of property, plant and equipment exceeding capital expenditures and amortization of intangible assets, principally acquired franchise rights.

Working capital increased by $21.3 million to $14.3 million at December 31, 2000 from a deficit of $7.0 million at January 2, 2000. The change in working capital was primarily due to decreases in the current portion of long-term debt of $18.7 million, accounts payable and accrued liabilities of $15.0 million and accrued interest of $6.3 million, partially offset by an increase of $13.7 million in amounts due to Piedmont. The increase in amounts due to Piedmont reflected the improved operating results and the timing of cash flows at Piedmont in 2000.

Total long-term debt decreased by $60.4 million to $692.2 million at December 31, 2000 compared to $752.6 million at January 2, 2000. Repayment of long-term debt during 2000 resulted from free cash flow from operations of approximately $40 million and approximately $20 million from the sale of bottling territory, as previously discussed.

LIQUIDITY AND CAPITAL RESOURCES

Capital Resources

Sources of capital for the Company include operating cash flows, bank borrowings, issuance of public or private debt and the issuance of equity securities. Management believes that the Company, through these sources, has sufficient financial resources available to maintain its current operations and provide for its current capital expenditure and working capital requirements, scheduled debt payments, interest and income tax liabilities and dividends for stockholders.

Investing Activities

Additions to property, plant and equipment during 2000 were $49.2 million. Capital expenditures during 2000 were funded with cash flow from operations. Leasing is used for certain capital additions when considered cost effective related to other sources of capital. The Company currently leases approximately $50 million of its cold drink equipment in addition to two production facilities and certain distribution and administrative facilities. Total lease expense in 2000 was $15.7 million compared to $13.7 million in 1999.

At the end of 2000, the Company had no material commitments for the purchase of capital assets other than those related to normal replacement of equipment. The Company considers the acquisition of bottling territories on an ongoing basis.

Financing Activities

In January 1999, the Company filed an $800 million shelf registration for debt and equity securities. This shelf registration included $200 million of unused availability from a $400 million shelf registration filed in October 1994.

In April 1999, the Company issued $250 million of 10-year debentures at a fixed rate of 6.375% under its shelf registration. The Company subsequently entered into interest rate swap agreements totaling $100 million related to the newly issued debentures. The net proceeds from the issuance of debentures were used to refinance borrowings related to the purchase of assets previously leased, as discussed above, repay certain maturing Medium-Term Notes and repay other corporate borrowings.

The Company borrows from time to time under lines of credit from various banks. On December 31, 2000, the Company had $170 million available under these lines, of which $12.9 million was outstanding. Loans under these lines are made at the sole discretion of the banks at rates negotiated at the time of borrowing.

In December 1997, the Company extended the maturity of a revolving credit facility to December 2002 for borrowings of up to $170 million. There were no amounts outstanding under this facility as of December 31, 2000.

Interest Rate Hedging

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

The weighted average interest rate of the debt portfolio as of December 31, 2000 was 7.1% compared to 7.0% at the end of 1999. The Company's overall weighted average borrowing rate on its long-term debt in 2000 increased to 7.3% from 6.8% in 1999. Approximately 41% of the Company's debt portfolio of $692.2 million as of December 31, 2000 was subject to changes in short-term interest rates.

FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K, as well as information included in, or incorporated by reference from, future filings by the Company with the Securities and Exchange Commission and information contained in written material, press releases and oral statements issued by or on behalf of the Company, contains, or may contain several forward-looking management comments and other statements that reflect management's current outlook for future periods. These statements include, among others, statements relating to: our expectations concerning increasing long-term stockholder value, per capita consumption and operating cash flow; the sufficiency of our financial resources to fund our operations; our expectations concerning marketing support payments from The Coca-Cola Company and other beverage companies; our expectations about higher profitability and better returns in our West Virginia territory; our expectations about interest expense; our acquisition strategy and our capital expenditure requirements. These statements and expectations are based on the current available competitive, financial and economic data along with the Company's operating plans, and are subject to future events and uncertainties. Among the events or uncertainties which could adversely affect future periods are: lower than expected net pricing resulting from increased marketplace competition, an inability to meet performance requirements for expected levels of marketing support payments from The Coca-Cola Company, an inability to meet requirements under bottling contracts, the inability of our aluminum can or PET bottle suppliers to meet our demand, material changes from expectations in the cost of raw materials, higher than expected fuel prices, an inability to meet projections for performance in acquired bottling territories and unfavorable interest rate fluctuations.

Item 7A -- Quantitative and Qualitative Disclosures about Market Risk

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

Long-Term Debt

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

As it relates to the Company's variable rate debt, if market interest rates average 1% more in 2001 than the rates of December 31, 2000, interest expense for 2001 would increase by $2.8 million. If market interest rates had averaged 1% more in 2000 than the rates at January 2, 2000, interest expense for 2000 would have increased by $3.0 million. These amounts were determined by calculating the effect of the hypothetical interest rate on our variable rate debt after giving consideration to all our interest rate hedging activities. This sensitivity analysis assumes that there are no changes in the Company's financial structure.

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

Item 8 -- Financial Statements and Supplementary Data

COCA-COLA BOTTLING CO. CONSOLIDATED

CONSOLIDATED STATEMENTS OF OPERATIONS

In Thousands (Except Per Share Data)	Fiscal Year 2000	1999	1998
Net sales (includes sales to Piedmont of $69,539, $68,046 and $69,552)	$ 995,134	$972,551	$928,502
Cost of sales, excluding depreciation shown below (includes $53,463, $56,439 and $55,800 related to sales to Piedmont)	530,241	543,113	534,919
Gross margin	464,893	429,438	393,583
Selling, general and administrative expenses, excluding depreciation shown below	323,223	291,907	276,245
Depreciation expense	64,751	60,567	37,076
Amortization of goodwill and intangibles	14,712	13,734	12,972
Restructuring expense		2,232	
Income from operations	62,207	60,998	67,290
Interest expense	53,346	50,581	39,947
Other income (expense), net	974	(5,431)	(4,098)
Income before income taxes	9,835	4,986	23,245
Income taxes	3,541	1,745	8,367
Net income	$ 6,294	$ 3,241	$ 14,878
Basic net income per share	$ .72	$ .38	$ 1.78
Diluted net income per share	$ .71	$ .37	$ 1.75
Weighted average number of common shares outstanding	8,733	8,588	8,365
Weighted average number of common shares outstanding -- assuming dilution	8,822	8,708	8,495

See Accompanying Notes to Consolidated Financial Statements.

COCA-COLA BOTTLING CO. CONSOLIDATED

CONSOLIDATED BALANCE SHEETS

In Thousands (Except Share Data)	Dec. 31, 2000	Jan. 2, 2000
ASSETS		
Current assets:		
Cash	$ 8,425	$ 9,050
Accounts receivable, trade, less allowance for doubtful accounts of $918 and $850	62,661	60,367
Accounts receivable from The Coca-Cola Company	5,380	6,018
Accounts receivable, other	8,247	13,938
Inventories	40,502	41,411
Prepaid expenses and other current assets	14,026	13,275
Total current assets	139,241	144,059
Property, plant and equipment, net	429,978	468,110
Leased property under capital leases, net	7,948	10,785
Investment in Piedmont Coca-Cola Bottling Partnership	62,730	60,216
Other assets	60,846	61,312
Identifiable intangible assets, net	284,842	305,783
Excess of cost over fair value of net assets of businesses acquired, less accumulated amortization of $35,585 and $33,141	76,512	58,127
Total	$1,062,097	$1,108,392

See Accompanying Notes to Consolidated Financial Statements.

COCA-COLA BOTTLING CO. CONSOLIDATED

CONSOLIDATED BALANCE SHEETS

	Dec. 31, 2000	Jan. 2, 2000
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Portion of long-term debt payable within one year	$ 9,904	$ 28,635
Current portion of obligations under capital leases	3,325	4,483
Accounts payable and accrued liabilities	80,999	96,008
Accounts payable to The Coca-Cola Company	3,802	2,346
Due to Piedmont Coca-Cola Bottling Partnership	16,436	2,736
Accrued interest payable	10,483	16,830
Total current liabilities	124,949	151,038
Deferred income taxes	148,655	124,171
Other liabilities	76,061	73,900
Obligations under capital leases	1,774	4,468
Long-term debt	682,246	723,964
Total liabilities	1,033,685	1,077,541
Commitments and Contingencies (Note 11)		
Stockholders' 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 -- 9,454,651 and 9,454,626 shares	9,454	9,454
Class B Common Stock, $1 par value:		
Authorized -- 10,000,000 shares; Issued -- 2,969,166 and 2,969,191 shares	2,969	2,969
Class C Common Stock, $1 par value:		
Authorized -- 20,000,000 shares; Issued -- None		
Capital in excess of par value	99,020	107,753
Accumulated deficit	(21,777)	(28,071)
	89,666	92,105
Less -- Treasury stock, at cost:		
Common -- 3,062,374 shares	60,845	60,845
Class B Common -- 628,114 shares	409	409
Total stockholders' equity	28,412	30,851
Total	$1,062,097	$1,108,392

See Accompanying Notes to Consolidated Financial Statements.

COCA-COLA BOTTLING CO. CONSOLIDATED

CONSOLIDATED STATEMENTS OF CASH FLOWS

In Thousands	Fiscal Year 2000	1999	1998
Cash Flows from Operating Activities			
Net income	$ 6,294	$ 3,241	$ 14,878
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation expense	64,751	60,567	37,076
Amortization of goodwill and intangibles	14,712	13,734	12,972
Deferred income taxes	3,541	1,745	8,367
Gain on sale of bottling territory	(8,829)		
Provision for impairment of property, plant and equipment	3,066		
Losses on sale of property, plant and equipment	2,284	2,755	2,586
Amortization of debt costs	938	836	595
Amortization of deferred gain related to terminated interest rate swaps	(819)	(563)	(563)
Undistributed (earnings) losses of Piedmont Coca-Cola Bottling Partnership	(2,514)	2,631	479
(Increase) decrease in current assets less current liabilities	(2,554)	9,639	570
Increase in other noncurrent assets	(506)	(8,451)	(8,441)
Increase in other noncurrent liabilities	3,868	9,702	2,180
Other	58	334	79
Total adjustments	77,996	92,929	55,900
Net cash provided by operating activities	84,290	96,170	70,778
Cash Flows from Financing Activities			
Proceeds from the issuance of long-term debt		251,165	
Repayment of current portion of long-term debt	(26,750)	(30,115)	(10,540)
Proceeds from (repayment of) lines of credit, net	(33,700)	10,200	26,100
Cash dividends paid	(8,733)	(8,549)	(8,365)
Payments on capital lease obligations	(4,528)	(4,938)	
Termination of interest rate swap agreements	(292)		6,480
Debt fees paid		(3,266)	(102)
Other	(387)	(468)	(390)
Net cash provided by (used in) financing activities	(74,390)	214,029	13,183
Cash Flows from Investing Activities			
Additions to property, plant and equipment	(49,168)	(264,139)	(47,946)
Proceeds from the sale of property, plant and equipment	16,366	753	1,255
Acquisitions of companies, net of cash acquired	(723)	(44,454)	(35,006)
Proceeds from sale of bottling territory	23,000		
Net cash used in investing activities	(10,525)	(307,840)	(81,697)
Net increase (decrease) in cash	(625)	2,359	2,264
Cash at beginning of year	9,050	6,691	4,427
Cash at end of year	$ 8,425	$ 9,050	$ 6,691
Significant non-cash investing and financing activities			
Issuance of Common Stock in connection with acquisition		$ 21,961	
Capital lease obligations incurred	$ 1,313	14,225	

See Accompanying Notes to Consolidated Financial Statements.

COCA-COLA BOTTLING CO. CONSOLIDATED

CONSOLIDATED STATEMENTS OF CHANGES
IN STOCKHOLDERS' EQUITY

In Thousands	Common Stock	Class B Common Stock	Capital in Excess of Par Value	Accumulated Deficit	Treasury Stock
Balance on December 28, 1997	$ 10,107	$1,948	$103,074	$ (46,190)	$61,254
Net income				14,878	
Cash dividends paid			(8,365)		
Exchange of Common Stock for Class B Common Stock	(1,021)	1,021			
Balance on January 3, 1999	9,086	2,969	94,709	(31,312)	61,254
Net income				3,241	
Cash dividends paid			(8,549)		
Issuance of Common Stock in connection with acquisition ..	368		21,593		
Balance on January 2, 2000	9,454	2,969	107,753	(28,071)	61,254
Net income				6,294	
Cash dividends paid			(8,733)		
Balance on December 31, 2000	$ 9,454	$2,969	$ 99,020	$ (21,777)	$61,254

See Accompanying Notes to Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

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

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

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

The fiscal years presented are the 52-week periods ended December 31, 2000, January 2, 2000 and the 53-week period ended January 3, 1999. The Company's fiscal year ends on the Sunday closest to December 31.

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, determined on the first-in, first-out method ("FIFO"), or market.

Property, Plant and Equipment

Property, plant and equipment are recorded at cost and depreciated using the straight-line method over the estimated useful lives of the assets. Additions and major replacements or betterments are added to the assets at cost. Maintenance and repair costs and minor replacements are charged to expense when incurred. When assets are replaced or otherwise disposed of, the cost and accumulated depreciation are removed from the accounts, and the gains or losses, if any, are reflected in income.

Software

The Company adopted the provisions of the American Institute of Certified Public Accountants' Statement of Position 98-1, "Accounting for the Cost of Computer Software Developed or Obtained for Internal Use" in the first quarter of 1999. This statement requires capitalization of certain costs incurred in the development of internal-use software. Software is amortized using the straight-line method over its estimated useful life.

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 3 and Note 15 for additional information.

Revenue Recognition

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

Income Taxes

The Company provides deferred income taxes for the tax effects of temporary differences between the financial reporting and income tax bases of the Company's assets and liabilities.

Benefit Plans

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

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

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.

Impairment of Long-lived Assets

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

Net Income Per Share

Basic earnings per share ("EPS") excludes dilution and is computed by dividing net income available for common stockholders by the weighted average number of Common and Class B Common shares outstanding. Diluted EPS gives effect to all securities representing potential common shares that were dilutive and outstanding during the period. In the calculation of diluted EPS, the denominator includes the number of additional common shares that would have been outstanding if the Company's outstanding stock options had been exercised.

Derivative Financial Instruments

The Company uses financial instruments to manage its exposure to movements in interest rates. The use of these financial instruments modifies the exposure of these risks with the intent to reduce the risk to the Company. The Company does not use financial instruments for trading purposes, nor does it use leveraged financial instruments.

Amounts receivable or payable under interest rate swap agreements are included in other assets or other liabilities. Amounts paid or received under interest rate swap agreements during their lives are recorded as adjustments to interest expense. Deferred gains or losses on interest rate swap terminations are amortized over the lives of the initial agreements as an adjustment to interest expense.

Premiums paid for interest rate cap agreements are amortized to interest expense over the terms of the agreements. Amounts receivable or payable under interest rate cap agreements are included in other assets or other liabilities.

Insurance Programs

In general, the Company is self-insured for costs of casualty claims and medical claims. The Company uses commercial insurance for casualty claims and medical claims as a risk reduction strategy to minimize catastrophic losses. Casualty

losses are provided for using actuarial assumptions and procedures followed in the insurance industry, adjusted for company-specific history and expectations.

Marketing Costs and Support Arrangements

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

2. ACQUISITIONS AND DIVESTITURES

On May 28, 1999, the Company acquired substantially all of the outstanding capital stock of Carolina Coca-Cola Bottling Company, Inc. ("Carolina") in exchange for 368,482 shares of the Company's Common Stock, installment notes and cash. The total purchase price was approximately $37 million. Carolina was a Coca-Cola bottler with operations in central South Carolina.

On October 29, 1999, the Company acquired substantially all of the outstanding capital stock of Lynchburg Coca-Cola Bottling Company, Inc. ("Lynchburg") for approximately $24 million. Lynchburg was a Coca-Cola bottler with operations in central Virginia.

The Company used its lines of credit for the cash portion of the acquisitions described above. These acquisitions have been accounted for under the purchase method of accounting.

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

3. INVESTMENT IN PIEDMONT COCA-COLA BOTTLING PARTNERSHIP

On July 2, 1993, the Company and The Coca-Cola Company formed Piedmont to distribute and market 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 portion of the soft drink products for Piedmont at cost and receives a fee for managing the operations of Piedmont pursuant to a management agreement.

Summarized financial information for Piedmont was as follows:

In Thousands	Dec. 31, 2000	Jan. 2, 2000
Current assets	$ 48,068	$ 31,094
Noncurrent assets	319,788	331,979
Total assets	$367,856	$363,073
Current liabilities	$ 17,342	$ 15,370
Noncurrent liabilities	225,054	227,271
Total liabilities	242,396	242,641
Partners' equity	125,460	120,432
Total liabilities and partners' equity	$367,856	$363,073
Company's equity investment	$ 62,730	$ 60,216

In Thousands	Fiscal Year 2000	1999	1998
Net sales	$286,781	$278,202	$269,312
Cost of sales	147,671	152,042	151,480
Gross margin	139,110	126,160	117,832
Income from operations	18,948	7,803	11,974
Net income (loss)	$ 5,028	$ (5,262)	$ (958)
Company's equity in net income (loss)	$ 2,514	$ (2,631)	$ (479)

4. INVENTORIES

Inventories were summarized as follows:

In Thousands	Dec. 31, 2000	Jan. 2, 2000
Finished products	$22,907	$26,240
Manufacturing materials	13,330	10,476
Plastic pallets and other	4,265	4,695
Total inventories	$40,502	$41,411

5. PROPERTY, PLANT AND EQUIPMENT

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

In Thousands	Dec. 31, 2000	Jan. 2, 2000	Estimated Useful Lives
Land	$ 11,311	$ 12,251	
Buildings	97,012	96,072	10-50 years
Machinery and equipment	94,652	89,068	5-20 years
Transportation equipment	122,083	126,562	4-10 years
Furniture and fixtures	35,206	37,002	4-10 years
Vending equipment	285,772	291,844	6-13 years
Leasehold and land improvements	39,597	41,379	5-20 years
Software for internal use	17,207	10,523	3-7 years
Construction in progress	1,162	3,389	
Total property, plant and equipment, at cost	704,002	708,090	
Less: Accumulated depreciation and amortization	274,024	239,980	
Property, plant and equipment, net	$429,978	$468,110	

On January 15, 1999, the Company purchased approximately $155 million of equipment (principally vehicles and vending equipment) previously leased under various operating lease agreements. The assets purchased will continue to be used in the distribution and sale of the Company's products and will be depreciated over their remaining useful lives, which range from three years to 12.5 years. The Company used a combination of its revolving credit facility and its lines of credit with certain banks to finance this purchase.

In the third quarter of 2000, the Company recorded a provision for impairment of certain fixed assets for $3.1 million, which was classified in "Other income (expense), net."

6. LEASED PROPERTY UNDER CAPITAL LEASES

The category and terms of the leased property under capital leases were as follows:

In Thousands	Dec. 31, 2000	Jan. 2, 2000	Terms
Transportation and other equipment	$13,058	$13,434	1-4 years
Less: Accumulated amortization	5,110	2,649	
Leased property under capital leases, net	$ 7,948	$10,785	

7. IDENTIFIABLE INTANGIBLE ASSETS

The principal categories and estimated useful lives of identifiable intangible assets were as follows:

In Thousands	Dec. 31, 2000	Jan. 2, 2000	Estimated Useful Lives
Franchise rights	$353,036	$361,710	40 years
Customer lists	54,864	54,864	17-23 years
Other	16,668	16,668	17-23 years
Identifiable intangible assets	424,568	$433,242	
Less: Accumulated amortization	139,726	127,459	
Identifiable intangible assets, net	$284,842	$305,783	

8. LONG-TERM DEBT

Long-term debt was summarized as follows:

In Thousands	Maturity	Interest Rate	Fixed(F) or Variable(V) Rate	Interest Paid	Dec. 31, 2000	Jan. 2, 2000
Lines of Credit	2002	6.99%	V	Varies	$ 12,900	$ 46,600
Term Loan Agreement	2004	7.14%	V	Varies	85,000	85,000
Term Loan Agreement	2005	7.14%	V	Varies	85,000	85,000
Medium-Term Notes	2000	10.00%	F	Semi-annually		25,500
Medium-Term Notes	2002	8.56%	F	Semi-annually	47,000	47,000
Debentures	2007	6.85%	F	Semi-annually	100,000	100,000
Debentures	2009	7.20%	F	Semi-annually	100,000	100,000
Debentures	2009	6.38%	F	Semi-annually	250,000	250,000
Other notes payable	2001-2006	5.75%-10.00%	F	Varies	12,250	13,499
					692,150	752,599
Less: Portion of long-term debt payable within one year					9,904	28,635
Long-term debt					$682,246	$723,964

The principal maturities of long-term debt outstanding on December 31, 2000 were as follows:

In Thousands	
2001	$ 9,904
2002	62,121
2003	25
2004	85,020
2005	85,000
Thereafter	450,080
Total long-term debt	$692,150

In December 1997, the Company extended the maturity date of the revolving credit facility to December 2002 for borrowings of up to $170 million. The agreement contains several covenants which establish ratio requirements related to debt, interest expense and cash flow. A facility fee of 1/8% per year on the banks' commitment is payable quarterly. There was no outstanding balance under this facility as of December 31, 2000.

The Company borrows from time to time under lines of credit from various banks. On December 31, 2000, the Company had approximately $170 million of credit available under these lines, of which $12.9 million was outstanding. Loans under these lines are made at the sole discretion of the banks at rates negotiated at the time of borrowing. The Company intends to renew such borrowings as they mature. To the extent that these borrowings and the borrowings under the revolving credit facility do not exceed the amount available under the Company's $170 million revolving credit facility, they are classified as noncurrent liabilities.

On January 22, 1999, the Company filed an $800 million shelf registration for debt and equity securities (which included $200 million of unused availability from a prior shelf registration). On April 26, 1999 the Company issued $250 million of 10-year debentures at a fixed interest rate of 6.375%. The Company subsequently entered into interest rate swap agreements totaling $100 million related to the newly issued debentures. The net proceeds from this issuance were used principally for refinancing of short-term debt related to the purchase of leased assets, with the remainder used to repay other bank debt.

After taking into account all of the interest rate hedging activities, the Company had a weighted average interest rate of 7.1% for the debt portfolio as of December 31, 2000 compared to 7.0% at January 2, 2000. The Company's overall weighted average borrowing rate on its long-term debt was 7.3%, 6.8% and 7.1% for 2000, 1999 and 1998, respectively.

As of December 31, 2000, after taking into account all of the interest rate hedging activities, approximately $284 million or 41% of the total debt portfolio was subject to changes in short-term interest rates.

If average interest rates for the Company's debt portfolio increased by 1%, annual interest expense for the year ended December 31, 2000 would have increased by approximately $3 million and net income would have been reduced by approximately $1.9 million.

9. DERIVATIVE FINANCIAL INSTRUMENTS

The Company uses interest rate hedging products to modify risk from interest rate fluctuations in its underlying debt. The Company has historically used derivative financial instruments from time to time to achieve a targeted fixed/floating rate mix. This target is based upon anticipated cash flows from operations relative to the Company's debt level and the potential impact of increases in interest rates on the Company's overall financial condition.

The Company does not use derivative financial instruments for trading or other speculative purposes nor does it use leveraged financial instruments. All of the Company's outstanding interest rate swap agreements are LIBOR-based.

Derivative financial instruments were summarized as follows:

	December 31, 2000		January 2, 2000	
In Thousands	Notional Amount	Remaining Term	Notional Amount	Remaining Term
Interest rate swaps-floating			$ 60,000	3.75 years
Interest rate swaps-fixed			60,000	3.75 years
Interest rate swaps-fixed			50,000	5 years
Interest rate swaps-floating	$100,000	8.25 years	100,000	9.25 years
Interest rate cap			35,000	0.5 years

The Company had interest rate swaps with a notional amount of $100 million at December 31, 2000, compared to $270 million as of January 2, 2000. In September 2000, the Company terminated three interest rate swaps with a total notional amount of $170 million. The gains or losses on the termination of these swaps are being amortized over the remaining term of the initial swap agreements.

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

10. FAIR VALUES OF FINANCIAL INSTRUMENTS

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.

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

	December 31, 2000		January 2, 2000	
In Thousands	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Balance Sheet Instruments				
Public debt	$497,000	$480,687	$522,500	$ 484,354
Non-public variable rate long-term debt	182,900	182,900	216,600	216,600
Non-public fixed rate long-term debt	12,250	12,433	13,499	13,670
Off-Balance-Sheet Instruments				
Interest rate swaps		(1,669)		(12,174)

The fair values of the interest rate swaps at December 31, 2000 and January 2, 2000, represent the estimated amounts the Company would have had to pay to terminate these agreements.

11. COMMITMENTS AND CONTINGENCIES

Operating lease payments are charged to expense as incurred. Such rental expenses included in the consolidated statements of operations were $15.7 million, $13.7 million and $28.9 million for 2000, 1999 and 1998, respectively.

The following is a summary of future minimum lease payments for all capital and operating leases as of December 31, 2000.

In Thousands	Capital Leases	Operating Leases	Total
2001	$3,325	$16,481	$19,806
2002	1,290	11,859	13,149
2003	671	9,954	10,625
2004	208	8,997	9,205
2005		8,549	8,549
Thereafter		35,749	35,749
Total minimum lease payments	$5,494	$91,589	$97,083
Less: Amounts representing interest	395		
Present value of minimum lease payments	5,099		
Less: Current portion of obligations under capital leases	3,325		
Long-term portion of obligations under capital leases	$1,774		

The Company is a member of South Atlantic Canners, Inc. ("SAC"), a manufacturing cooperative, from which it is obligated to purchase a specified number of cases of finished product on an annual basis. The minimal annual purchases are approximately $40 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 SAC. See Note 15 to the consolidated financial statements for additional information concerning these financial guarantees. The total of all debt guarantees on December 31, 2000 was $35.7 million.

The Company has entered into a purchase agreement for aluminum cans on an annual basis through 2003. The estimated annual purchases under this agreement are approximately $100 million for 2001, 2002 and 2003.

On August 3, 1999, North American Container, Inc. ("NAC") filed a Complaint For Patent Infringement and Jury Demand (the "Complaint") against the Company and a number of other defendants in the United States District Court for the Northern District of Texas, Dallas Division, alleging that certain unspecified blow-molded plastic containers used, made, sold, offered for sale and/or used by the Company and other defendants infringe certain patents owned by the plaintiff. NAC seeks an unspecified amount of compensatory damages for prior infringement, seeks to have those damages trebled, seeks pre-judgment and post-judgment interest, seeks attorneys fees and seeks an injunction prohibiting future infringement and ordering the destruction of all infringing containers and machinery used in connection with the manufacture of the infringing products. The original Complaint names forty-two other defendants and additional defendants have been added by amendment. The Company has obtained partial indemnification from its suppliers for all damages it may incur in connection with this proceeding. The Company has filed an answer to the Complaint, as amended, and has denied the material allegations of NAC and seeks recovery of attorney fees by having the case declared exceptional. The Company has also filed a counterclaim seeking a declaration of invalidity and non-infringement. A claims construction hearing was held in December 2000. The Court-appointed Special Master has advised the Company to expect a ruling in April 2001.

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

12. INCOME TAXES

The provision for income taxes consisted of the following:

	Fiscal Year		
	2000	1999	1998
In Thousands			
Current:			
Federal	$ --	$ --	$ --
Total current provision	--	--	--
Deferred:			
Federal	865	206	6,378
State	2,676	1,539	1,989
Total deferred provision	3,541	1,745	8,367
Income tax expense	$3,541	$1,745	$8,367

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 deferred income tax assets and liabilities were as follows:

	Dec. 31, 2000	Jan. 2, 2000
In Thousands		
Intangible assets	$ 105,746	$ 90,577
Depreciation	83,943	66,257
Investment in Piedmont Coca-Cola Bottling Partnership	27,428	25,855
Lease obligations	19,775	19,775
Other	8,666	8,340
Gross deferred income tax liabilities	245,558	210,804
Net operating loss carryforwards	(45,399)	(32,413)
Leased assets	(15,820)	(15,820)
AMT credits	(12,030)	(9,978)
Deferred compensation	(13,822)	(12,881)
Postretirement benefits	(11,858)	(12,071)
Interest rate swap terminations	(2,624)	(3,196)
Other	(5,020)	(9,831)
Gross deferred income tax assets	(106,573)	(96,190)
Deferred income tax liability	$ 138,985	$ 114,614

Net current deferred tax assets of $9.7 million and $9.6 million were included in prepaid expenses and other current assets on December 31, 2000 and January 2, 2000, respectively.

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

In Thousands	Fiscal Year 2000	1999	1998
Statutory expense	$3,442	$1,745	$8,135
Amortization of franchise and goodwill assets	418	373	369
State income taxes, net of federal benefit	9	(281)	463
Other	(328)	(92)	(600)
Income tax expense	$3,541	$1,745	$8,367

On December 31, 2000, the Company had $114 million and $80 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 2020.

13. CAPITAL TRANSACTIONS

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. This option has not been exercised with respect to any such shares.

Effective November 23, 1998, J. Frank Harrison, Jr. exchanged 792,796 shares of the Company's Common Stock for 792,796 shares of Class B Common Stock in a transaction previously approved by the Company's Board of Directors (the "Harrison Exchange"). Mr. Harrison already owned the shares of Common Stock used to make this exchange. This exchange took place in connection with a series of simultaneous transactions related to Mr. Harrison Jr.'s personal estate planning, the net effect of which was to transfer the entire ownership interest in the Company previously held by Mr. Harrison and certain Harrison family trusts into three Harrison family limited partnerships. J. Frank Harrison, Jr., in his capacity of Manager for J. Frank Harrison Family, LLC (the general partner of the three family limited partnerships), exercises sole voting and investment power with respect to the shares of the Company's Common Stock and Class B Common Stock held by the family limited partnerships.

Pursuant to a Stock Rights and Restriction Agreement dated January 27, 1989, between the Company and The Coca-Cola Company, in the event that the Company issues new shares of Class B Common Stock upon the exchange or exercise of any security, warrant or option of the Company which results in The Coca-Cola Company owning less than 20% of the outstanding shares of Class B Common Stock and less than 20% of the total votes of all outstanding shares of all classes of the Company, The Coca-Cola Company has the right to exchange shares of Common Stock for shares of Class B Common Stock in order to maintain its ownership of 20% of the outstanding shares of Class B Common Stock and 20% of the total votes of all outstanding shares of all classes of the Company. Under the Stock Rights and Restrictions Agreement, The Coca-Cola Company also has a preemptive right to purchase a percentage of any newly issued shares of any class as necessary to allow it to maintain ownership of both 29.67% of the outstanding shares of Common Stock of all classes and 22.59% of the total votes of all outstanding shares of all classes. Effective November 23, 1998, in connection with the Harrison Exchange and the related Harrison family limited partnership transactions, The Coca-Cola Company, in the exercise of its rights under the Stock Rights and Restrictions Agreement, exchanged 228,512 shares of the Company's Common Stock which it held for 228,512 shares of the Company's Class B Common Stock.

On May 12, 1999, the stockholders of the Company approved a restricted stock award for J. Frank Harrison, III, the Company's Chairman of the Board of Directors and Chief Executive Officer, consisting of 200,000 shares of the Company's Class B Common Stock. The award provides that the shares of restricted stock would vest at the rate of 20,000 shares per year over a ten-year period. The vesting of each annual installment is contingent upon the Company achieving at least 80% of the Overall Goal Achievement Factor for the six selected performance indicators used in determining bonuses for all officers under the Company's Annual Bonus Plan. In 2000, the Company achieved more than 80% of the Overall Goal Achievement Factor which resulted in the vesting of 20,000 shares, effective as of January 1, 2001. Compensation expense in 2000 related to the restricted stock award was $1.4 million. In 1999, the Company did not achieve at least 80% of the Overall Goal Achievement Factor and thus, the 20,000 shares of restricted stock for 1999 did not vest.

14. BENEFIT PLANS

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

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

	Fiscal Year	
	2000	1999
In Thousands		
Projected benefit obligation at beginning of year	$ 81,121	$ 82,898
Service cost	3,606	3,375
Interest cost	6,180	5,508
Actuarial gain	(1,732)	(9,499)
Acquisition		1,500
Benefits paid	(2,855)	(2,661)
Other	33	
Projected benefit obligation at end of year	$ 86,353	$ 81,121
Fair value of plan assets at beginning of year	$ 88,609	$ 74,624
Actual return on plan assets	(1,100)	12,489
Employer contributions	3,069	2,222
Acquisition		1,935
Benefits paid	(2,855)	(2,661)
Fair value of plan assets at end of year	$ 87,723	$ 88,609

	Dec. 31, 2000	Jan. 2, 2000
Funded status of the plans	$1,370	$7,489
Unrecognized prior service cost	(324)	(491)
Unrecognized net loss	8,012	680
Prepaid pension cost	$9,058	$7,678

Prepaid pension costs are included in other assets.

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

In Thousands	Fiscal Year 2000	1999	1998
Service cost	$ 3,606	$ 3,375	$ 2,586
Interest cost	6,180	5,508	4,934
Estimated return on plan assets	(7,963)	(6,659)	(6,303)
Amortization of unrecognized transitional assets			(70)
Amortization of prior service cost	(133)	(135)	(150)
Recognized net actuarial loss		965	7
Net periodic pension cost	$ 1,690	$ 3,054	$ 1,004

The weighted average rate assumptions used in determining pension costs and the projected benefit obligation were:

	2000	1999
Weighted average discount rate used in determining the actuarial present value of the projected benefit obligation	7.75%	7.75%
Weighted average expected long-term rate of return on plan assets	9.00%	9.00%
Weighted average rate of compensation increase	4.00%	4.00%

The Company provides a 401(k) Savings Plan for substantially all of its employees who are not part of collective bargaining agreements. Under provisions of the Savings Plan, an employee is vested with respect to Company contributions upon the completion of two years of service with the Company. The total cost for this benefit in 2000, 1999 and 1998 was $3.1 million, $3.2 million and $2.0 million, respectively.

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

The Company provides postretirement benefits for substantially all of its employees. The Company recognizes the cost of postretirement benefits, which consist principally of medical benefits, during employees' periods of active service. The Company does not pre-fund these benefits and has the right to modify or terminate certain of these benefits in the future.

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

In Thousands	Fiscal Year 2000	1999
Benefit obligation at beginning of year	$ 36,501	$ 39,779
Service cost	852	954
Interest cost	2,816	2,608
Plan participants' contributions	607	614
Actuarial (gain) loss	10,251	(4,994)
Benefits paid	(3,067)	(2,460)
Benefit obligation at end of year	$ 47,960	$ 36,501
Fair value of plan assets at beginning of year	$ --	$ --
Employer contributions	2,460	1,846
Plan participants' contributions	607	614
Benefits paid	(3,067)	(2,460)
Fair value of plan assets at end of year	$ --	$ --

In Thousands	Dec. 31, 2000	Jan. 2, 2000
Funded status of the plan	$ (47,960)	$ (36,501)
Unrecognized net loss	21,414	11,656
Unrecognized prior service cost	(271)	(295)
Contributions between measurement date and fiscal year-end	864	483
Accrued liability	$ (25,953)	$ (24,657)

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

In Thousands	Fiscal Year 2000	1999	1998
Service cost	$ 852	$ 954	$ 604
Interest cost	2,816	2,608	2,350
Amortization of unrecognized transitional assets	(25)	(25)	(25)
Recognized net actuarial loss	493	745	422
Net periodic postretirement benefit cost	$4,136	$4,282	$3,351

The weighted average discount rate used to estimate the postretirement benefit obligation was 7.75% as of December 31, 2000 and January 2, 2000.

The weighted average health care cost trend used in measuring the postretirement benefit expense was 5.25% in 2000 and is projected to remain at that level thereafter. A 1% increase or decrease in this annual cost trend would have impacted the postretirement benefit obligation and net periodic postretirement benefit cost as follows:

Impact on - ---------	In Thousands 1% Increase	1% Decrease
Postretirement benefit obligation at December 31, 2000	$5,213	$ (4,280)
Net periodic postretirement benefit cost in 2000	663	(525)

15. 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 $237 million, $258 million and $225 million in 2000, 1999 and 1998, 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 bottling territories operated by the Company. Direct marketing funding support provided to the Company by The Coca-Cola Company was approximately $51 million, $55 million and $52 million in 2000, 1999 and 1998, respectively. Additionally, the Company earned approximately $1 million, $15 million and $16 million in 2000, 1999 and 1998, respectively, related to cold drink infrastructure support. The marketing funding related to cold drink infrastructure support is covered under a multi-year agreement which includes certain annual performance requirements. The Company is in compliance with all such performance requirements, as amended. In addition, the Company paid approximately $26 million, $29 million and $28 million in 2000, 1999 and 1998, respectively, for local media and marketing program expense pursuant to cooperative advertising and cooperative marketing arrangements with The Coca-Cola Company.

The Company has a production arrangement with Coca-Cola Enterprises Inc. ("CCE") to buy and sell finished products at cost. The Coca-Cola Company has significant equity interests in the Company and CCE. As of December 31, 2000, CCE has a 7.0% equity interest in the Company's total outstanding stock. Sales to CCE under this agreement were $20.0 million, $21.0 million and $24.0 million in 2000, 1999 and 1998, respectively. Purchases from CCE under this arrangement were $15.0 million, $15.3 million and $15.3 million in 2000, 1999 and 1998, respectively.

In December 1996, the Board of Directors awarded a retirement benefit to J. Frank Harrison, Jr., Chairman-Emeritus of the Board of Directors of the Company, for, among other things, his past service to the Company. The Company recorded a non-cash, after-tax charge of $2.7 million in the fourth quarter of 1996 related to this agreement. Additionally, the Company entered into an agreement for consulting services with J. Frank Harrison, Jr. beginning in 1997. Payments in 2000, 1999 and 1998 related to the consulting services agreement totaled $200,000 each year.

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 portion of the soft drink products for Piedmont at cost and receives a fee for managing the operations of Piedmont pursuant to a management agreement. The Company sold product at cost to Piedmont during 2000, 1999 and 1998 totaling $53.5 million, $56.4 million and $55.8 million, respectively.

The Company received $13.6 million, $14.2 million and $14.2 million for management services pursuant to its management agreement with Piedmont for 2000, 1999 and 1998, respectively.

The Company also subleases various fleet and vending equipment to Piedmont at cost. These sublease rentals amounted to $11.0 million, $10.0 million and $7.1 million in 2000, 1999 and 1998, respectively. In addition, Piedmont subleases various fleet and vending equipment to the Company at cost. These sublease rentals amounted to $.2 million, $.2 million and $1.6 million in 2000, 1999 and 1998, respectively.

On November 30, 1992, the Company and the previous 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 ("HLP") purchased the property contemporaneously with the termination of the lease, and the Company leased its Snyder Production Center from HLP pursuant to a ten-year lease that was to expire on November 30, 2002. HLP's sole general partner is a corporation of which J. Frank Harrison, Jr. is the sole shareholder. HLP's sole limited partner is a trust of which J. Frank Harrison, III, Chairman of the Board of Directors and Chief Executive Officer of the Company, and Reid M. Henson, Director of the Company are co-trustees. On August 9, 2000, a Special Committee of the Board of Directors approved the sale of property and improvements adjacent to the Snyder Production Center to HLP and a new lease of both the conveyed property and the Snyder Production Center from HLP, which expires on December 31, 2010. The sale closed on December 15,

2000 at a price of $10.5 million. The annual base rent the Company is obligated to pay for its lease of this property is subject to adjustment for an inflation factor and for increases or decreases in interest rates, using LIBOR as the measurement device. Rent expense for this property totaled $2.9 million, $2.6 million and $2.7 million in 2000, 1999 and 1998, respectively.

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

On June 1, 1993, the Company entered into a lease agreement with Beacon Investment Corporation related to the Company's headquarters office building. Beacon Investment Corporation's sole shareholder is J. Frank Harrison, III. On January 5, 1999, the Company entered into a new 10-year lease agreement with Beacon Investment Corporation which includes the Company's headquarters office building and an adjacent office facility. The annual base rent the Company is obligated to pay under this lease is subject to adjustment for increases in the Consumer Price Index and for increases or decreases in interest rates using the Adjusted Eurodollar Rate as the measurement device. Rent expense under this lease totaled $3.6 million and $3.1 million in 2000 and 1999, respectively. Rent expense under the previous lease totaled $2.1 million in 1998.

The Company is a shareholder in two cooperatives from which it purchases substantially all its requirements for plastic bottles. Net purchases from these entities were approximately $49 million, $45 million and $50 million in 2000, 1999 and 1998, respectively. In connection with its participation in one of these cooperatives, the Company has guaranteed a portion of the cooperative's debt. Such guarantee amounted to $20.4 million as of December 31, 2000.

The Company is a member of SAC, a manufacturing cooperative. SAC sells finished products to the Company and Piedmont at cost. The Company also manages the operations of SAC pursuant to a management agreement. Management fees from SAC were $1.0 million, $1.3 million and $1.2 million in 2000, 1999 and 1998, respectively. Also, the Company has guaranteed a portion of debt for SAC. Such guarantee was $15.0 million as of December 31, 2000.

The Company purchases certain computerized data management products and services related to inventory control and marketing program support from Data Ventures LLC ("Data Ventures"), a Delaware limited liability company in which the Company holds a 31.25% equity interest. Also, J. Frank Harrison, III, Chairman of the Board of Directors and Chief Executive Officer of the Company, holds a 32.5% equity interest in Data Ventures. On September 30, 1997, Data Ventures obtained a $1.9 million unsecured line of credit from the Company. In December 1999, this line of credit was increased to $3.0 million. Data Ventures was indebted to the Company for $2.8 million and $2.1 million as of December 31, 2000 and January 2, 2000, respectively. The Company purchased products and services from Data Ventures for $414,000, $154,000 and $237,000 in 2000, 1999 and 1998, respectively.

16. RESTRUCTURING

In November 1999, the Company announced a plan to restructure its operations by consolidating sales divisions and reducing its workforce. Approximately 300 positions were eliminated as a result of the restructuring. The Company recorded a pre-tax restructuring charge of $2.2 million in the fourth quarter of 1999, which was funded by cash flow from operations. The restructuring has been completed and substantially all amounts have been paid.

17. EARNINGS PER SHARE

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

In Thousands (Except Per Share Data)	2000	1999	1998
Numerator:			
Numerator for basic net income and diluted net income	$ 6,294	$ 3,241	$ 14,878
Denominator:			
Denominator for basic net income per share -- weighted average common shares	8,733	8,588	8,365
Effect of dilutive securities -- Stock options	89	120	130
Denominator for diluted net income per share -- adjusted weighted average common shares	8,822	8,708	8,495
Basic net income per share	$ .72	$ .38	$ 1.78
Diluted net income per share	$ .71	$ .37	$ 1.75

18. RISKS AND UNCERTAINTIES

Approximately 90% of the Company's sales are products of The Coca-Cola Company, which is the sole supplier of the concentrate required to manufacture these products. The remaining 10% of the Company's sales are products of various other beverage companies. The Company has bottling contracts under which it has various requirements to meet. Failure to meet the requirements of these bottling contracts could result in the loss of distribution rights for the respective product.

The Company currently obtains all of its aluminum cans from one domestic supplier. The Company currently obtains all of its PET bottles from two domestic cooperatives. The inability of either of these aluminum can or PET bottle suppliers to meet the Company's requirement for containers could result in short-term shortages until alternative sources of supply could be located. The Company attempts to mitigate these risks by working closely with key suppliers and by purchasing business interruption insurance where appropriate.

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

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

Less than 10% of the Company's labor force is currently covered by collective bargaining agreements. Three collective bargaining contracts covering approximately 1% of the Company's employees expire during 2001.

In March 2000, at the end of a collective bargaining agreement in Huntington, West Virginia, the Company and Teamsters Local Union 505 were unable to reach agreement on wages and benefits. The union elected to strike and other Teamster-represented sales centers in West Virginia joined in a sympathy strike. As of August 7, 2000, the Company and the respective local unions settled all outstanding issues.

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

19. SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

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

In Thousands	Fiscal Year 2000	1999	1998
Accounts receivable, trade, net	$ (2,294)	$ (1,017)	$ (1,304)
Accounts receivable from The Coca-Cola Company	638	4,073	(5,401)
Accounts receivable, other	5,691	(5,419)	862
Inventories	712	(2,487)	(1,612)
Prepaid expenses and other assets	(757)	2,542	(2,778)
Accounts payable and accrued liabilities	(15,353)	10,989	5,986
Accounts payable to The Coca-Cola Company	1,456	(2,848)	1,086
Accrued interest payable	(6,347)	1,505	1,287
Due to (from) Piedmont Coca-Cola Bottling Partnership	13,700	2,301	2,444
(Increase) decrease in current assets less current liabilities	$ (2,554)	$ 9,639	$ 570

Cash payments for interest and income taxes were as follows:

In Thousands	Fiscal Year 2000	1999	1998
Interest	$58,736	$48,221	$38,046
Income taxes (net of refunds)	2,830	1,939	1,925

20. NEW ACCOUNTING PRONOUNCEMENTS

The Financial Accounting Standards Board ("FASB") has issued Statement No. 133, "Accounting for Derivative Instruments and Hedging Activities." As subsequently amended by FASB Statement No. 138, Statement No. 133 is effective for all fiscal quarters of all fiscal years beginning after June 15, 2000. Statement No. 133 will require the Company to recognize all derivatives on the balance sheet at fair value. Derivatives that are not hedges must be adjusted to fair value through income. If the derivative is a hedge, depending on the nature of the hedge, changes in the fair value of derivatives will either be offset against the change in fair value of the hedged assets, liabilities or firm commitments through earnings or recognized in other comprehensive income until the hedged item is recognized in earnings. The ineffective portion of a derivative's change in fair value will be immediately recognized in earnings. The Company will adopt the provisions of Statement No. 133 in the first quarter of 2001. The adoption of Statement No. 133 will not have a material impact on the earnings and financial position of the Company.

21. QUARTERLY FINANCIAL DATA (UNAUDITED)

Set forth below are unaudited quarterly financial data for the fiscal years ended December 31, 2000 and January 2, 2000.

	Quarter			
	1	2	3	4
In Thousands (Except Per Share Data)				
Year Ended December 31, 2000				
Net sales	$228,184	$270,933	$258,565	$237,452
Gross margin	105,941	127,931	121,006	110,015
Net income (loss)	(1,957)	6,317	6,398	(4,464)
Basic net income (loss) per share	(.22)	.72	.73	(.51)
Diluted net income (loss) per share	(.22)	.71	.73	(.51)

	Quarter			
	1	2	3	4
In Thousands (Except Per Share Data)				
Year Ended January 2, 2000				
Net sales	$220,263	$261,037	$260,284	$230,967
Gross margin	92,152	115,646	117,356	104,284
Restructuring expense				2,232
Net income (loss)	(4,480)	6,166	5,827	(4,272)
Basic net income (loss) per share	(.54)	.72	.67	(.49)
Diluted net income (loss) per share	(.54)	.71	.66	(.49)

REPORT OF INDEPENDENT ACCOUNTANTS

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

In our opinion, the consolidated financial statements listed in the accompanying index present fairly, in all material respects, the financial position of Coca-Cola Bottling Co. Consolidated and its subsidiaries at December 31, 2000 and January 2, 2000, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2000 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedules listed in the accompanying index present fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. These financial statements and financial statement schedules are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements and financial statement schedules based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP

Charlotte, North Carolina
February 14, 2001

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

The supplementary data required by Item 302 of Regulation S-K is set forth in Note 21 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" section of the Proxy Statement for the 2001 Annual Meeting of Stockholders 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 -- Section 16(a) Beneficial Ownership Reporting Compliance" section of the Proxy Statement for the 2001 Annual Meeting of Stockholders.

Item 11 -- Executive Compensation

For information with respect to executive and director compensation, see the "Executive Compensation," "Report of the Compensation Committee on Executive Compensation," "Compensation Committee Interlocks and Insider Participation," "Election of Directors -- The Board of Directors and its Committees" and "Common Stock Performance Graph" sections of the Proxy Statement for the 2001 Annual Meeting of Stockholders to be filed with the Securities and Exchange Commission, which are incorporated herein by reference.

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

For information with respect to security ownership of certain beneficial owners and management, see the "Principal Stockholders" and "Election of Directors -- Beneficial Ownership of Management" sections of the Proxy Statement for the 2001 Annual Meeting of Stockholders to be filed with the Securities and Exchange Commission, which are incorporated herein by reference.

Item 13 -- Certain Relationships and Related Transactions

For information with respect to certain relationships and related transactions, see the "Certain Transactions" section of the Proxy Statement for the 2001 Annual Meeting of Stockholders to be filed with the Securities and Exchange Commission, which is 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

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

2. Financial Statement Schedule

Schedule II -- Valuation and Qualifying Accounts and Reserves

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

3. Listing of Exhibits:

Number	Description	Incorporated by Reference or Filed Herewith
(3.1)	Bylaws of the Company, as amended.	Filed herewith.
(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)	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.
(4.3)	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.
(4.4)	Supplemental Indenture, dated as of March 3, 1995, between the Company and NationsBank of Georgia, National Association, as Trustee.	Exhibit 4.15 to the Company's Annual Report, as amended, on Form 10-K/A-2 for the fiscal year ended January 1, 1995.
(4.5)	Form of the Company's 6.85% Debentures due 2007.	Exhibit 4.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended October 1, 1995.
(4.6)	Loan Agreement dated as of November 20, 1995 between the Company and LTCB Trust Company, as Agent, and other banks named therein.	Exhibit 4.13 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1995.
(4.7)	Amended and Restated Credit Agreement dated as of December 21, 1995 between the Company and NationsBank, N.A., Bank of America National Trust and Savings Association and other banks named therein.	Exhibit 4.14 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1995.
(4.8)	Amendment, dated as of July 22, 1997, to Loan Agreement dated November 20, 1995, between the Company and LTCB Trust Company, as Agent, and other banks named therein.	Exhibit 4.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 29, 1997.
(4.9)	Form of the Company's 7.20% Debentures due 2009.	Exhibit 4.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 29, 1997.
(4.10)	Form of the Company's 6.375% Debentures due 2009.	Exhibit 4.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended April 4, 1999.
(4.11)	Assignment and Release Agreement, dated as of October 6, 1999, by and between The Long-Term Credit Bank of Japan, Limited and General Electric Capital Corporation.	Exhibit 4.11 to the Company's Annual Report on Form 10-K for the fiscal year ended January 2, 2000.
(4.12)	Second Amendment dated as of February 24, 2000 (to Loan Agreement designated as Exhibit 4.6) by and among the Company and General Electric Capital Corporation, as agent.	Exhibit 4.12 to the Company's Annual Report on Form 10-K for the fiscal year ended January 2, 2000.
(4.13)	The Registrant, by signing this report, agrees to furnish the Securities and Exchange Commission, upon its request, a copy of any instrument which defines the rights of holders of long-term debt of the Registrant and its 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.	

Number	Description	Incorporated by Reference or Filed Herewith
(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)	Amendment, dated as of May 18, 1994, to Employment Agreement designated as Exhibit 10.1. **	Exhibit 10.84 to the Company's Annual Report on Form 10-K for the fiscal year ended January 1, 1995.
(10.3)	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.
(10.4)	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.
(10.5)	Lease, dated as of January 1, 1999, by and between the Company and the Ragland Corporation, related to the production/distribution facility in Nashville, Tennessee.	Filed herewith.
(10.6)	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.
(10.7)	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.
(10.8)	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.
(10.9)	Purchase and Sale Agreement, dated as of December 15, 2000, between the Company and Harrison Limited Partnership One, related to land adjacent to the Snyder Production Center in Charlotte, North Carolina.	Filed herewith.
(10.10)	Lease Agreement, dated as of December 15, 2000, between the Company and Harrison Limited Partnership One, related to the Snyder Production Center in Charlotte, North Carolina and a distribution center adjacent thereto.	Filed herewith.
(10.11)	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.
(10.12)	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.
(10.13)	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.

Number	Description	Incorporated by Reference or Filed Herewith
(10.14)	First Amendment to Management Agreement designated as Exhibit 10.13, dated as of January 1, 2001.	Filed herewith.
(10.15)	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.
(10.16)	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.
(10.17)	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.
(10.18)	Selling Agency Agreement, dated as of March 3, 1995, between the Company, Salomon Brothers Inc. and Citicorp Securities, Inc.	Exhibit 10.83 to the Company's Annual Report on Form 10-K for the fiscal year ended January 1, 1995.
(10.19)	Agreement, dated as of March 1, 1994, between the Company and South Atlantic Canners, Inc.	Exhibit 10.85 to the Company's Annual Report on Form 10-K for the fiscal year ended January 1, 1995.
(10.20)	Stock Option Agreement, dated as of March 8, 1989, of J. Frank Harrison, Jr. **	Exhibit 10.86 to the Company's Annual Report on Form 10-K for the fiscal year ended January 1, 1995.
(10.21)	Stock Option Agreement, dated as of August 9, 1989, of J. Frank Harrison, III. **	Exhibit 10.87 to the Company's Annual Report on Form 10-K for the fiscal year ended January 1, 1995.
(10.22)	Guaranty Agreement and Addendum, dated as of March 31, 1995, between the Company and Wachovia Bank of North Carolina, N.A.	Exhibit 10.9 to the Company's Quarterly Report on Form 10-Q for the quarter ended April 2, 1995.
(10.23)	Description of the Company's 2001 Bonus Plan for officers. **	Filed herewith.
(10.24)	Agreement for Consultation and Services between the Company and J. Frank Harrison, Jr. **	Exhibit 10.54 to the Company's Annual Report on Form 10-K for the fiscal year ended December 29, 1996.
(10.25)	Retirement and Consulting Agreement, effective as of May 31, 2000, between the Company and Reid M. Henson. **	Filed herewith.
(10.26)	Agreement to assume liability for postretirement benefits between the Company and Piedmont Coca-Cola Bottling Partnership.	Exhibit 10.55 to the Company's Annual Report on Form 10-K for the fiscal year ended December 29, 1996.
(10.27)	Participation Agreement (Coca-Cola Trust No. 97-1) dated as of April 10, 1997 between the Company (as Lessee), First Security Bank, National Association (solely as Owner Trustee under Coca-Cola Trust No. 97-1) and the other financial institutions listed therein.	Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 30, 1997.
(10.28)	Master Equipment Lease Agreement (Coca-Cola Trust No. 97-1) dated as of April 10, 1997 between the Company (as Lessee) and First Security Bank, National Association (solely as Owner Trustee under Coca-Cola Trust No. 97-1).	Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 30, 1997.
(10.29)	Franchise Asset Purchase Agreement, dated as of January 21, 1998, by and among Coca-Cola Bottling Company Southeast, Incorporated, as Seller, NABC, Inc., an indirect wholly-owned subsidiary of Guarantor, as Buyer, and Coca-Cola Bottling Co. Consolidated, as Guarantor.	Exhibit 10.58 to the Company's Annual Report on Form 10-K for the fiscal year ended December 28, 1997.

Number	Description	Incorporated by Reference or Filed Herewith
(10.30)	Operating Asset Purchase Agreement, dated as of January 21, 1998, by and among Coca-Cola Bottling Company Southeast, Incorporated, as Seller, CCBC of 1997. Nashville, L.P., an indirect wholly-owned subsidiary of Guarantor, as Buyer, and Coca-Cola Bottling Co. Consolidated, as Guarantor.	Exhibit 10.59 to the Company's Annual Report on Form 10-K for the fiscal year ended December 28, 1997.
(10.31)	Lease Agreement, dated as of January 5, 1999, between the Company and Beacon Investment Corporation, related to the Company's corporate headquarters and an adjacent office building in Charlotte, North Carolina.	Exhibit 10.61 to the Company's Annual Report on Form 10-K for the fiscal year ended January 3, 1999.
(10.32)	Coca-Cola Bottling Co. Consolidated Director Deferral Plan, dated as of January 1, 1998. **	Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 29, 1998.
(10.33)	Agreement and Plan of Merger dated as of September 29, 1999, by and among Lynchburg Coca-Cola Bottling Co., Inc., Coca-Cola Bottling Co. Consolidated, LCCB Merger Co., Certain Shareholders of Lynchburg Coca-Cola Bottling Co., Inc. and George M. Lupton, Jr. as the shareholders' representative.	Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended October 3, 1999.
(10.34)	Master Lease Agreement, dated as of May 7, 1999, between the Company and Wachovia Leasing Corporation.	Exhibit 10.34 to the Company's Annual Report on Form 10-K for the fiscal year ended January 2, 2000.
(10.35)	Agreement and Plan of Merger, dated as of March 26, 1999, by and among the Company and Carolina Coca-Cola Bottling Company, Inc.	Annex A to the Company's Registration Statement (No. 333-75751) on Form S-4.
(10.36)	Restricted Stock Award to the Company's Chief Executive Officer (effective January 4, 1999). **	Annex A to the Company's Proxy Statement for the 1999 Annual Meeting.
(10.37)	Can Supply Agreement, dated as of February 22, 2000, between American National Can Company and the Company.	Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended April 2, 2000.
(10.38)	Asset Acquisition Agreement, dated as of September 29, 2000, by and among The Coca-Cola Bottling Company of West Virginia, Inc., Coca-Cola Bottling Company of Roanoke, Inc. and Coca-Cola Enterprises Inc.	Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended October 1, 2000.
(10.39)	Franchise Acquisition Agreement, dated as of September 29, 2000, by and among WVBC, Inc., ROBC, Inc. and Coca-Cola Enterprises Inc.	Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended October 1, 2000.
(10.40)	Guaranty Agreement, dated as of September 29, 2000, between the Company and Coca-Cola Enterprises Inc.	Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the quarter ended October 1, 2000.
(21.1)	List of subsidiaries.	Filed herewith.
(23.1)	Consent of Independent Accountants to Incorporation by Reference into Form S-3 (Registration No. 33-4325), Form S-3 (Registration No. 33-54657) and Form S-3 (Registration No. 333-71003).	Filed herewith.

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

** Management contracts and compensatory plans and arrangements required to be filed as exhibits to this form pursuant to Item 14(c) of this report.

B. Reports on Form 8-K
None.

Schedule II

COCA-COLA BOTTLING CO. CONSOLIDATED

VALUATION AND QUALIFYING ACCOUNTS AND RESERVES

(IN THOUSANDS)

Description	Balance at Beginning of Year	Additions Charged to Costs and Expenses	Deductions	Balance at End of Year
Allowance for doubtful accounts:				
Fiscal year ended December 31, 2000	$850	$580	$512	$918
Fiscal year ended January 2, 2000	$600	$824	$574	$850
Fiscal year ended January 3, 1999	$513	$426	$339	$600

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 29, 2001

By: /S/ J. FRANK HARRISON, III

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

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

By: /S/ J. Frank Harrison, III --- J. Frank Harrison, III	Chairman of the Board of Directors, Chief Executive Officer and Director	March 29, 2001
By: /S/ J. Frank Harrison, Jr. --- J. Frank Harrison, Jr.	Chairman-Emeritus of the Board of Directors and Director	March 29, 2001
By: /S/ H. W. McKay Belk --- H. W. McKay Belk	Director	March 29, 2001
By: /S/ John M. Belk --- John M. Belk	Director	March 29, 2001
By: /S/ William B. Elmore --- William B. Elmore	President, Chief Operating Officer and Director	March 29, 2001
By: /S/ Reid M. Henson --- Reid M. Henson	Director	March 29, 2001
By: /S/ H. Reid Jones --- H. Reid Jones	Director	March 29, 2001
By: /S/ Ned R. McWherter --- Ned R. McWherter	Director	March 29, 2001
By: /S/ James L. Moore, Jr. --- James L. Moore, Jr.	Vice Chairman of the Board of Directors and Director	March 29, 2001
By: /S/ John W. Murrey, III --- John W. Murrey, III	Director	March 29, 2001
By: /S/ Carl Ware --- Carl Ware	Director	March 29, 2001
By: /S/ David V. Singer --- David V. Singer	Executive Vice President and Chief Financial Officer	March 29, 2001
By: /S/ Steven D. Westphal --- Steven D. Westphal	Vice President, Controller and Chief Accounting Officer	March 29, 2001

AMENDED AND RESTATED

BY-LAWS

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COCA-COLA BOTTLING CO. CONSOLIDATED

Article I

OFFICES

SECTION 1. Principal Office. The principal office of the Corporation shall be located at Charlotte, North Carolina, and the address of the registered office of the Corporation in the State of Delaware and the name of the registered agent at such address shall be as specified in the Certificate of Incorporation.

SECTION 2. Other Offices. The Corporation may have offices at such other places, either within or without the State of Delaware as the Board of Directors may from time to time determine, or as the affairs of the Corporation may require.

Article II

MEETINGS OF STOCKHOLDERS

SECTION 1. Place of Meetings. All meetings of the stockholders shall be held at the principal office of the Corporation, or at such other place, either within or without the State of Delaware, as shall be designated in the notice of the meeting or agreed upon by a majority of the stockholders entitled to vote thereat.

SECTION 2. Annual Meeting. The annual meeting of the stockholders shall be held within or without the State of Delaware at such time as may be determined by the Board of Directors. Such meetings shall be held for the purpose of electing directors of the Corporation and for the transaction of such other business as may be properly brought before the meeting.

SECTION 3. Special Meetings. Special meetings of the stockholders may be called at any time by the Chairman of the Board, any Vice-Chairman, President, Secretary or the Board of Directors of the Corporation, or by any stockholder pursuant to the written request of the holders of not less than one-tenth (1/10th) of the total vote entitled to be cast at the meeting.

SECTION 4. Notice of Meeting. Written or printed notice stating the time and place of the meeting shall be delivered not less than ten (10) nor more than sixty (60) days before the date thereof, either personally or by mail, by or at the direction of the Board of Directors, Chairman of the Board, the Secretary or other person calling the meeting, to each stockholder of record entitled to vote at such meeting.

In the case of an annual meeting, the notice of meeting need not specifically state the business to be transacted thereat, unless it is a matter, other than the election of directors, on which the vote of the stockholders is expressly required by the provisions of the Delaware General Corporation Law. In the case of a special meeting, the notice of meeting shall specifically state the purpose or purposes for which the meeting is called.

When a meeting is adjourned for thirty (30) days or more, or if after the adjournment a new record date is fixed for the adjourned meeting, notice of the adjourned meeting shall be given as in the case of an original meeting. When a meeting is adjourned for less than thirty (30) days in any one adjournment, it is not necessary to give notice of the adjourned meetinq other than by announcement at the meeting at which the adjournment is taken.

SECTION 5. Voting Lists. At least ten (10) days before each meeting of stockholders, the Secretary shall prepare an alphabetical list of the stockholders entitled to vote at such meeting with the number of shares held by each and the list shall be open to examination of any stockholder at any time during the usual business hours, for a period of at least ten (10) days prior to the meeting either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not so specified, at the place where the meeting is to be held. This list shall also be produced and kept open at the time and place of the meeting and shall be subject to inspection by any stockholder present during the whole time of the meeting.

SECTION 6. Quorum. Subject to the provisions of Article IX hereof, the holders of shares representing a majority of the total outstanding vote of all shares entitled to vote, represented in person or by proxy shall constitute a quorum at meetings of stockholders. If there is no quorum at the opening of a meeting of stockholders, such meeting may be adjourned from time to time by the vote of a majority of the shares voting on the motion to adjourn; and, at any adjourned meeting at which a quorum is

present, any business may be transacted which might have been transacted at the original meeting.

The stockholders at a meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum present.

SECTION 7. Voting of Shares. The holders of shares of the Corporation's classes of capital stock shall be entitled to the respective voting rights granted in Article Fourth of the Corporation's Certificate of Incorporation.

In all matters other than the election of directors, the affirmative vote of a majority of the total votes of all of the shares of the Corporation's capital stock present in person or represented by proxy and entitled to vote on the subject matter at a meeting of stockholders at which a quorum is present shall be the act of the stockholders on that matter, unless the vote of a greater number or by class is required by law, by the Certificate of Incorporation or these By-laws. Directors shall be elected by a plurality of the votes as provided in Article III Section 3.

Voting on all matters except the election of directors shall be by voice vote or by a show of hands, unless the holders of one tenth (1/10th) of the total votes represented at the meeting shall, prior to the voting on any matter, demand a ballot vote on that particular matter.

If any stockholder so demands, election of directors shall be by written ballot.

SECTION 8. Informal Action by Stockholders. Any action which may be taken at a meeting of the stockholders may be taken without a meeting, if a consent in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and filed with the Secretary of the Corporation, to be kept in the Corporate minute book. Every written consent shall bear the date of signature of each stockholder who signs the consent, which date shall be no earlier than 60 days prior to the date such consent is filed with the Secretary.

Article III

DIRECTORS

SECTION 1. General Powers. The business and affairs of the Corporation shall be managed by the Board of Directors or by such Executive and other Committees as the Board may establish pursuant to these By-laws.

SECTION 2. Number, Term and Qualification. The number of directors of the Corporation shall be determined from time to time by the stockholders or the Board of Directors and shall be not less than nine and not more than twelve. The Board of Directors shall be divided into three classes, each class to be as nearly equal in number as possible. The successors of the directors whose terms expire each year shall be elected to hold office for the term of three years, so that the term of office of one class of directors shall expire in each year. Directors need not be residents of the State of Delaware or stockholders of the Corporation.

SECTION 3. Election of Directors. Except as provided in Section 5 of this Article, the directors shall be elected at the annual meeting of stockholders; and those persons who receive the highest number of votes shall be deemed to have been elected.

SECTION 4. Removal. Directors may be removed from office only for cause by a vote of stockholders holding a majority of the shares entitled to vote at an election of directors. If any directors are so removed, new directors may be elected at the same meeting.

SECTION 5. Vacancies. Vacancies and newly-created directorships may be filled by majority vote of the directors then in office, although less than a quorum, or by a sole remaining director, to hold office until the next election of the class for which such directors shall have been chosen, and until their successors shall be elected and qualified.

SECTION 6. Compensation. The Board of Directors may fix the compensation of directors for their services as such and may provide for the payment of all expenses incurred by directors in attending regular or special meetings of the Board.

SECTION 7. Executive and Other Committees. The Board of Directors may, by resolution adopted by a majority of the whole Board, designate one (1) or more directors to constitute an Executive Committee, which Committee, to the extent provided in such resolution, shall have and may exercise all of the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation, including the power to declare dividends, authorize the issuance of stock and adopt a certificate of ownership and merger of the Corporation and any of its subsidiaries. The Board of Directors may, by resolution adopted by a majority of the whole Board, from time to time designate other committees of the Board, with such lawfully delegable powers and duties as it thereby confers, to serve at the pleasure of the Board and shall, for these committees, elect a director or directors to serve as the member or members, designating, if it desires, other directors as alternative members who may replace any absent or disqualified member at any meeting of the committee. No committee may exercise any of the following powers: amend the Certificate of Incorporation (except fixing preferred stock terms); adopt an agreement of merger with any entity other than a subsidiary; recommend to stockholders a sale of substantially all of the Corporation's assets; recommend to stockholders the dissolution or revocation of dissolution of the Corporation; or amend the By-laws.

SECTION 8. Indemnification of Directors and Officers. The Corporation shall indemnify to the fullest extent permitted by law any person made, or threatened to be made, a party to an action, suit or proceeding by reason of the fact that he, his testator or intestate is or was a director or officer of the Corporation, or serves or served any other corporation at the request of the Corporation. The Corporation may, but shall not be obligated to, maintain insurance at its expense to protect itself and any such person against expense or loss arising from any such action, suit, or proceeding.

The indemnification provided by this Section shall apply to acts and transactions occurring heretofore or hereafter and shall not be deemed exclusive of any other rights to which those seeking indemnification are entitled under any statute, certificate or articles of incorporation, by-laws, agreement, vote of stockholders or directors or otherwise, both as to action in his official capacity and as to action in any other capacity while holding such office, and shall continue as to a person who has ceased to be an

officer or director and shall inure to the benefit of the heirs, executors and administrators of such a person.

Article IV
MEETINGS OF DIRECTORS

SECTION 1. Regular Meetings. A regular meeting of the Board of Directors shall be held immediately after, and at the same place as, the annual meeting of stockholders. In addition, the Board of Directors may provide, by resolution, the time and place, either within or without the State of Delaware, for the holding of additional regular meetings.

SECTION 2. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the Chairman of the Board, any Vice Chairman, the President or any two (2) directors. Such meetings may be held either within or without the State of Delaware.

SECTION 3. Notice of Meetings. Regular meetings of the Board of Directors may be held without notice.

The person or persons calling a special meeting of the Board of Directors shall, at least two (2) days before the meeting, give notice thereof by any usual means of communication. Such notice need not specify the purpose for which the meeting is called.

Attendance by a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

SECTION 4. Quorum. A majority of the directors fixed by these by-laws shall constitute a quorum for the transaction of business at any meeting of the Board of Directors.

SECTION 5. Manner of Acting. Except as otherwise provided in the By-laws, and in the Certificate of Incorporation, the act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

SECTION 6. Participating in Meetings by Conference Telephone. Members of the Board of Directors, or of any committee thereof, may participate in a meeting of such board or committee by means of conference telephone or similar equipment that enables all persons participating in the meeting to hear each other. Such participation shall constitute presence in person at such meeting.

SECTION 7. Informal Action by Directors or Committees. Action required or permitted to be taken at any meeting of the Board of Directors or any Committee thereof may be taken without a meeting, if all of the members of the Board or Committee, as the case may be, consent thereto in writing and the writing or writings are filed with the minutes of the proceedings of the Board or Committee whether done before or after the actions so taken.

SECTION 8. Presumption of Assent. A director who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action unless his dissent shall be entered in the minutes of the meeting or unless he shall file his written dissent to such action with the person acting as secretary of the meeting promptly following approval of the minutes of the meeting.

Article V

THE OFFICERS

SECTION 1. Number. The executive officers of the Corporation shall be a Chairman of the Board, one or more Vice Chairmen, a President, a Secretary, a Treasurer and such Vice Presidents, Assistant Secretaries, Assistant Treasurers and other officers as the Board of Directors may from time to time elect. In addition, there shall be such appointed officers as from time to time are appointed by an executive officer authorized by Section 2 of this Article V to make such appointments. Any two (2) or more offices may be held by the same person except the offices of President and Secretary.

SECTION 2. Election and Term. The executive officers of the Corporation shall be elected by the Board of Directors, however, Vice Presidents, Assistant Secretaries and Assistant Treasurers may be appointed by an executive officer of the Corporation expressly authorized by the Board to make such appointments. Such elections may be held at any regular or special meeting of the Board. Each

officer shall hold office until his or her death, resignation, retirement, removal, disqualification or his or her successor is appointed or elected and qualifies, as applicable.

SECTION 3. Removal. Any officer or agent elected by the Board of Directors or appointed by an authorized officer may be removed by the Board, and any officer or agent appointed by an authorized officer may be removed by the appointing officer, with or without cause in each instance.

SECTION 4. Compensation. The compensation of all officers of the Corporation shall be fixed by the Board of Directors, except that the compensation of officers appointed by an authorized officer may be fixed by the appointing officer.

SECTION 5. The Chairman of the Board. The Chairman of the Board of Directors shall, when present, preside at all meetings of the stockholders and of the Board of Directors. The Chairman shall also perform such other duties as may be directed by the Board of Directors.

SECTION 6. The Vice Chairmen. The Vice Chairmen of the Board of Directors shall perform such duties and have such authority as may be directed by the Chairman of the Board and/or the Board of Directors and shall, in the absence of the Chairman, preside at all meetings of stockholders and the Board of Directors.

SECTION 7. The President. The President shall perform such duties and have such authority as may be directed by the Chairman of the Board, a Vice Chairman who is serving as chief executive officer, and/or the Board of Directors.

SECTION 8. The Vice-Presidents. The Vice-Presidents shall perform such duties and have such authority as the Board of Directors, the Chairman of the Board, any Vice Chairmen and/or President, as applicable, shall prescribe.

SECTION 9. The Secretary. The Secretary shall, except where otherwise directed by the Board of Directors, Chairman of the Board, any Vice Chairman and/or President, (a) record the proceedings of the meetings of stockholders and directors in a book to be kept for that purpose, (b) give all notices required by law and by these by-laws, (c) have general charge of the corporate books and records and of the corporate seal, and affix the

corporate seal to any lawfully-executed instrument requiring it, (d) shall have general charge of the stock transfer books of the Corporation and keep, at the registered or principal office of the Corporation, a record of stockholders showing the name and address of each stockholder and the number and class of shares held by each, and (e) sign such instruments as may require the Secretary's signature and, in general, perform all duties incident to the office of Secretary, and such other duties as may be assigned to the Secretary from time to time by the Board of Directors, Chairman of the Board, any Vice Chairman, and/or President, as applicable, shall prescribe.

SECTION 10. The Treasurer. The Treasurer shall, except where otherwise directed by the Board of Directors, Chairman of the Board, any Vice Chairman and/or President, (a) have custody of all funds and securities belonging to the Corporation and receive, deposit and disburse the same under the direction of the Board of Directors, Chairman of the Board, any Vice Chairman and/or President, as applicable, (b) keep full and accurate accounts of the finances of the Corporation in books especially provided for that purpose, and (c) in general, perform all duties incident to such office and such other duties as may be assigned from time to time by the Board of Directors, Chairman of the Board, any Vice Chairman and/or President, as applicable.

SECTION 11. Assistant Secretaries and Treasurers. The Assistant Secretaries and Assistant Treasurers shall, in the absence or disability of the Secretary or the Treasurer, respectively, perform the duties and exercise the powers of those officers, and they shall, in general, perform such other duties as shall be assigned to them by the Secretary or the Treasurer, respectively, or by the Board of Directors, Chairman of the Board, any Vice Chairman, and/or President, as applicable.

SECTION 12. Bonds. The Board of Directors may, by resolution, require any and all officers, agents and employees of the Corporation to give bond to the Corporation, with sufficient sureties, conditioned on the faithful performance of the duties of their respective offices or positions, and to comply with such other conditions as may from time to time be required by the Board of Directors.

Article VI

CONTRACTS, LOANS, CHECKS AND DEPOSITS

SECTION 1. Contracts. The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument on behalf of the Corporation, and such authority may be general or confined to specific instances.

SECTION 2. Loans. No loans shall be contracted on behalf of the Corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

SECTION 3. Checks and Drafts. All checks, drafts or other orders for the payment of money issued in the name of the Corporation shall be signed by such officer or officers, agent or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors.

SECTION 4. Deposits. All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such depositories as the Board of Directors may select.

Article VII

CERTIFICATES FOR SHARES AND THEIR TRANSFER

SECTION 1. Certificates for Shares. Certificates representing shares of the Corporation shall be issued in such form as the Board of Directors shall determine to every stockholder for the fully-paid shares owned by him. These certificates shall be signed by, or bear the facsimile signature of, the Chairman of the Board, any Vice Chairman, President or any Vice-President and the Secretary, Assistant Secretary, Treasurer or Assistant Treasurer. They shall be consecutively numbered or otherwise identified; and the name and address of the persons to whom they are issued, with the number of shares and date of issue, shall be entered on the stock transfer books of the Corporation.

SECTION 2. Transfer of Shares. Transfer of shares shall be made on the stock transfer books of the Corporation only upon surrender of the certificates for the shares sought to be transferred by the record holder thereof or by his duly-authorized agent, transferee or legal representative. All certificates surrendered for transfer shall be canceled before new certificates for the transferred shares shall be issued.

SECTION 3. Fixing Record Date. For the purpose of determining stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof or entitled to receive payment of any dividend or in order to make a determination of stockholders for any other proper purpose, the Board of Directors may fix in advance a date as the record date for such determination of stockholders, such record date in any case to be not more than sixty (60) days and not less than ten (10) days immediately preceding the date on which the particular action requiring such determination of stockholders is to be taken.

If no record date is fixed by the Board of Directors, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or if notice is waived, at the close of business on the day next preceding the day on which the meeting is held.

SECTION 4. Lost Certificates. The Board of Directors may authorize the issuance of a new share certificate in place of a certificate claimed to have been lost or destroyed, upon receipt of an affidavit of such fact from the person claiming the loss or destruction. When authorizing the issuance of a new certificate, the Board may require the claimant to give the Corporation a bond in such sum as it may direct to indemnify the Corporation against loss from any claim with respect to the certificate claimed to have been lost or destroyed; or the Board may, by resolution reciting that the circumstances justify such action, authorize the issuance of the new certificate without requiring such a bond.

Article VIII

GENERAL PROVISIONS

SECTION 1. Dividends. The Board of Directors may from time to time declare, and the Corporation may pay, dividends on its

outstanding shares in the manner and upon the terms and conditions provided by law and by its Certificate of Incorporation.

SECTION 2. Seal. The corporate seal of the Corporation shall consist of two concentric circles between which is the name of the Corporation and in the center of which is inscribed SEAL; and such seal, as impressed on the margin hereof, is hereby adopted as the corporate seal of the Corporation.

SECTION 3. Waiver of Notice. Whenever any notice is required to be given to any stockholder or director under the provisions of the Delaware General Corporation Law or under the provisions of the Certificate of Incorporation or these By-laws, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to giving such notice.

SECTION 4. Fiscal Year. The fiscal year of the Corporation shall be as fixed by the Board of Directors.

SECTION 5. Shareholder Protection Act. The provisions of The North Carolina Shareholder Protection Act specified in Article VII of The North Carolina Business Corporation Act shall not apply to transactions involving the Corporation, and pursuant to Section 55-9-05 [formerly Section 55-79(ii)] of said Act, this By-law provision shall formally exempt the Company from the provisions of Article VII. Any transactions otherwise falling within the scope of The North Carolina Shareholder Protection Act shall be governed by the general provisions of The North Carolina Business Corporation Act, to the extent it applies.

Article IX

AMENDMENTS

Except as hereinafter otherwise provided, these By-laws may be amended or repealed and new by-laws may be adopted by the affirmative vote of a majority of the number of directors fixed by the Certificate of Incorporation and these By-laws at any regular or special meeting of the Board of Directors, provided that

(a) the Board of Directors shall have no power to adopt a by law -

(i) Requiring the holders of more than a majority of the shares having voting power to be present or represented by proxy at any meeting in order to constitute a quorum or requiring more than a majority of the votes cast in person or by proxy to be necessary for the transaction of any business, except where higher percentages are required by law or by the Certificate of Incorporation, or

(ii) Providing for the management of the Corporation otherwise than by the Board of Directors or its Executive Committee,

(b) the affirmative vote of two-thirds of the total number of shares outstanding and entitled to vote shall be required to amend, alter, change or repeal Article II, Section 8; Article III, Sections 2 and 4; Article IV, Section 5; and this Article IX of these By-laws.

This Instrument Prepared By:
Waller Lansden Dortch & Davis, PLLC
511 Union Street, Suite 2100
Nashville, Tennessee 37219

LEASE

This lease ("Lease") is made and entered into effective as of January 1, 1999 (the "Effective Date") by and between Ragland Corporation, a Tennessee corporation, hereafter referred to as "Landlord," and Coca-Cola Bottling Co. Consolidated, a Delaware corporation, hereinafter referred to as "Tenant";

W I T N E S S E T H:

1. PREMISES. Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the premises in Nashville, Davidson County, Tennessee, comprised of two lots described in the survey descriptions (the "Land") attached hereto as Exhibit A, along with all improvements now located or hereafter constructed on said real property (the "Improvements"), collectively, the Land and the Improvements are referred to hereafter as the "Premises," together with all easements, appurtenances, rights, and privileges belonging or pertaining thereto. The survey descriptions contain:

(a) An outline of the demised Premises;

(b) A legal description of the demised Premises, including a seventeen (17) foot strip along the southeasterly margin subject to exception;

(c) All easements and rights-of-way.

2. TERM AND RENEWALS. (a) The term of this Lease shall be ten (10) years commencing on January 1, 1999 and terminating on December 31, 2009, (the "Original Term").

(b) Tenant may renew this Lease as to the entire Premises for two (2) additional, consecutive terms of five (5) years each (each a "Renewal Term"; together, the "Renewal Terms") by giving written notice to Landlord of its exercise of the renewal option at any time prior to one (1) year before the end of the then current term. Rents for the renewal term(s) shall be determined under Section 5 of this Lease. Other than the rents applicable during the Renewal Term(s), all other terms and provisions in this Lease shall be fully applicable during any Renewal Term(s) exercised by Tenant.

3. TITLE. Landlord covenants and warrants that it is the legal owner of the Premises.

4. ENJOYMENT. Landlord further covenants that, at the time it executes this instrument, there is no mortgage on the Premises and it has full right and power and authority to enter into this Lease and warrants to Tenant that quiet and peaceful possession of the Premises during the whole term of this Lease, and any renewals thereof, so long as Tenant is not in default hereunder beyond any applicable cure period set forth herein.

5. RENTAL. (a) The "Base Annual Rent" for this Lease is $375,000.00 (Net/Net). On the Effective Date and continuing from month to month for the first sixty (60) months of the Original Term, Tenant shall pay directly to Landlord monthly installments of the Base Annual Rent in the amount of Thirty-one Thousand Two Hundred Fifty ($31,250) Dollars, in advance on or before the first day of each calendar month.

(b) On January 1, 2004, the Base Annual Rent shall be increased by seventy-five percent (75%) of the percentage increase in the Consumer Price Index during the preceding sixty (60) months and Tenant's payment of monthly installments of the Base Annual Rent shall be increased accordingly. On the effective date of any Renewal Term under this Lease, the Base Annual Rent and Tenant's payment of monthly installments of the annual rent shall likewise be increased by seventy-five percent (75%) of the increase in the Consumer Price Index during the preceding sixty (60) months.

(c) "Consumer Price Index" means the Consumer Price Index for Urban Consumers, All Cities Average (1982-84 = 100) published by the United States Department of Labor, Bureau of Labor Statistics or, in the absence of such Index, such other comparable index published by the United States Government or agencies thereof as may be mutually agreed upon by the parties, which agreement shall not be unreasonably withheld.

6. TENANT'S OBLIGATIONS. From and after Effective Date, Tenant shall be responsible for the payment of all real estate taxes and assessments, all utility charges, the cost of liability and fire and extended coverage insurance and all operational expenses, including specifically maintenance and repairs to the Premises, including the roofs (unless such repairs or maintenance are required as a result of the gross negligence, misconduct or intentional acts or omissions of Landlord, its agent(s), contractor(s), employee(s), or subcontractor(s), in which event, Landlord shall be responsible for each repair). Tenant shall also be responsible for the following:

(a) Tenant shall maintain liability insurance in amounts not less than One Million ($1,000,000) Dollars for one person and Five Million ($5,000,000) Dollars for any one accident, with Landlord named as an additional insured, and shall indemnify and hold Landlord harmless against claims of all those who may sustain injuries or damages upon the Premises as the result of Tenant's use and occupancy of the Premises during the term of this Lease (unless such injuries or damages occur as a result of the gross negligence, misconduct, intentional acts or omissions of Landlord, its agent(s), contractor(s), employee(s) or subcontractor(s), in which event, Landlord shall be solely responsible).

(b) Fire and extended coverage insurance shall be carried in an amount equal to at least eighty (80%) percent of the replacement value of the Premises, including buildings, fixtures and other improvements. Such coverage shall name Landlord as an additional insured.

(c) All insurance required herein shall be carried with companies licensed to do business in Tennessee and approved by Landlord, but such approval shall not be unreasonably withheld.

(d) Tenant shall maintain the Premises in as good condition and repair as they are in on the Effective Date of this Lease and shall, upon termination, surrender the Premises in as good condition and repair, ordinary wear and tear excepted.

(e) Tenant shall make no alterations which will adversely effect the aesthetic conformity of the exterior of the Improvements without Landlord's approval but may make interior changes without such approval, provided such changes meet the requirements of all local building codes and any other applicable government regulations.

(f) The Premises shall not be used for any illegal purpose nor in violation of any valid regulation of any governmental body nor in any manner to create a nuisance or trespass or in any manner to vitiate the insurance on the Premises.

(g) Tenant shall have the right to contest, in Landlord's name but at Tenant's expense, the amount or validity of any tax assessment or levy and shall not be required to pay such tax until the amount or validity is finally determined.

7. TRADE FIXTURES AND EQUIPMENT. Any trade fixtures installed in the Premises at Tenant's expense shall remain Tenant's personal property

and Tenant shall have the right at any time during the term of the Lease to remove such trade fixtures. Upon removal of any trade fixtures, Tenant shall restore any damage or alteration of the Premises caused by removal of trade fixtures to a reasonably acceptable tentable condition. Tenant shall be responsible for the cost of removing its trade fixtures upon termination or expiration of this Lease. The obligations of Tenant under this Section shall survive the expiration or termination, for any reason, of this Lease.

8. CASUALTY. (a) If the Premises are damaged or destroyed by fire or other casualty, Tenant, using the proceeds of the insurance specified in Section 6, will repair and replace the Improvements either to their condition at the time of the casualty or in a manner more suitable for Tenant's business (at Tenant's option), and any part of the insurance proceeds not so used shall be paid to Landlord except for that portion attributable to improvements made by Tenant.

(b) Notwithstanding the above, if the repair and replacement of the Improvements will reasonably take more than 180 days to complete or if the casualty occurs during the last two (2) years of the Original Term or Renewed Term, the Tenant may elect not to rebuild or restore the Premises. If Tenant elects not to rebuild, the entire proceeds from said insurance shall be paid to Landlord. In the event the Tenant elects not to rebuild, this Lease shall terminate as of the date of the casualty. If Tenant elects to rebuild or restore the Premises, the rental due hereunder shall wholly abate while such Premises are unoccupied and shall proportionately abate while Tenant occupies any portion thereof.

9. INDEMNITY AND NON-LIABILITY. Tenant shall indemnify and save Landlord harmless from and against any and all liability for any injury to or death of any person or persons or any damage to property in any way arising out of or connected with the condition, use or occupancy of the Premises, that in any way result from Tenant's activities on the Premises or that of its agents, employees, licensees, contractors or invitees and from all costs, expenses and liabilities, including, but not limited to, court costs and reasonable attorney's fees, incurred by Landlord in connection therewith, excepting however, liability caused by Landlord's willful misconduct or gross negligence.

Tenant covenants and agrees that Landlord shall not be liable to Tenant for any injury to or death of any person or persons or for damage to any property of Tenant, or any person claiming through Tenant, arising out of any accident or occurrence on the Premises including, without limiting the generality of the foregoing, injury, death or damage caused by the Premises becoming out of repair or caused by any defect in or failure of equipment,

pipes, or wiring, or caused by broken glass, or caused by the backing up of drains, or caused by gas, water, steam, electricity, or oil leaking, escaping or flowing into the Premises, or caused by fire or smoke, or caused by the acts or omissions of Tenant's agents, employees, contractors or invitees, excepting however, liability caused by Landlord's gross negligence or willful misconduct.

Landlord shall not be responsible or liable at any time for any loss or damage to Tenant's merchandise, equipment, fixtures or other personal property or to Tenant's business; and Landlord shall not be responsible or liable for any defect, latent or otherwise, in the Premises or in any building on the Premises or in any of the equipment, machinery, utilities, appliances or apparatus therein, excepting, however, loss caused by Landlord's gross negligence or willful misconduct.

10. ENVIRONMENTAL COVENANTS.

(a) Tenant hereby covenants and agrees that (i) Tenant will not conduct or permit to be conducted on the Premises any activity that will use or generate any "Hazardous Materials" (as hereinafter defined), except for those activities that are part of the ordinary course of Tenant's soft drink bottling and distribution business (the "Permitted Activities"); (ii) all Permitted Activities will be conducted in accordance with all "Applicable Environmental Laws" (as hereinafter defined) and will have been approved in advance in writing (if required by applicable law) by the appropriate regulatory authority; (iii) the Premises will not be used for the storage of any Hazardous Materials except for the storage of such materials used or generated in the ordinary course of Tenant's business; (iv) the storage of Hazardous Materials will be conducted in accordance with all Applicable Environmental Laws in temporary storage areas on the Premises approved in writing by the appropriate regulatory authority (if required by applicable law) and Landlord; (v) only the Hazardous Materials used or generated by Tenant with respect to Permitted Activities, (the "Permitted Materials"), will be generated, used or stored on the Premises and no other Hazardous Materials will be generated, used or temporarily stored on the Premises without the prior written approval of the appropriate regulatory authority (if required by applicable law) and Landlord; (vi) no portion of the Premises will be used as a landfill or dump; (vii) Tenant will not install or allow to be installed any underground tanks of any type without Landlord's prior written consent; (viii) Tenant will not knowingly allow any surface or subsurface conditions to exist or come into existence on the Premises that constitutes, or with the passage of time may constitute, a public or private nuisance; (ix) Tenant will not knowingly permit any Hazardous Materials to be brought onto the Premises, except for the Permitted Materials described above, and if so found located thereon, Tenant will immediately remove such

Hazardous Materials from the Premises, with proper packaging, labeling, transportation, and disposal, and all required cleanup and remediation procedures will be diligently undertaken by Tenant and at Tenant's sole cost and expense pursuant to all Applicable Environmental Laws. If the presence of any Hazardous Materials brought, kept, stored, generated or used on, in, under or about the Premises by Tenant, its agents, employees, contractors or invitees results in any contamination of the Premises or in any release of any such Hazardous Materials on, in, under, about or from the Premises or into the air, soil, surface water or ground water, (a "Tenant Release") Tenant shall promptly take all actions, at its sole cost and expense, as are necessary to return the affected area to the condition existing prior to the Tenant Release, including, without limitation, any investigation or monitoring of site conditions and any clean up, remediation, response, removal, encapsulation, containment or restoration work required because of the Tenant Release (collectively, the "Tenant's Remedial Work"). Tenant shall obtain all necessary licenses, manifests, permits and approvals to perform Tenant's Remedial Work. Tenant shall perform all of Tenant's Remedial Work and the disposal of all waste generated by the Tenant's Remedial Work in accordance with all Applicable Environmental Laws. If Tenant fails to comply with any of the covenants and agreements set forth above, Landlord, at Tenant's sole cost and expense, may, with reasonable prior notice to Tenant, enter upon the Premises and undertake to restore the environmental condition of Premises to the condition existing immediately prior to Tenant's occupation of the Premises. Tenant shall immediately give Landlord written notice of any contamination or suspected contamination of the Premises, of any release, suspected release or threat of release of any Hazardous Materials on, in, under, about or from the Premises, of any breach or suspected breach of this paragraph or of the receipt of any notice from a governmental agency pertaining to the presence, release or threat of release or the suspected presence, release or threat of release of any Hazardous Materials on, in, under, about or from the Premises or pertaining to any violation of Applicable Environmental Laws.

(b) Tenant shall indemnify, save harmless and defend Landlord from and against any and all claims (including, without limitation, third party claims for personal injury or real or personal Premises damage), actions, administrative proceedings (including informal proceedings), judgments, damages, punitive damages, penalties, fines, costs, liabilities, interest or losses (including, without limitation, diminution in value of the Premises, reasonable attorneys' fees, consultant fees, expert fees and any fees and expenses incurred in enforcing its rights under Section 10 of this Lease) incurred by, sought from or asserted directly or indirectly against Landlord during or after the term of this Lease as a result of (i) the presence, release or threat of release or the suspected presence, release or threat of release of any Hazardous Materials on,

in, under, about or from the Premises, which Hazardous Materials were brought, kept, stored or used on, in, under or about the Premises by Tenant, its agents, employees, contractors or invitees, (ii) any violation of Applicable Environmental Laws by Tenant, its agents, employees, contractors or invitees, (iii) any activities conducted by Tenant on the Premises, including, without limitation, any Permitted Activities, (iv) the generation, use, storage, handling or disposal by Tenant of any Hazardous Materials, including, without limitation, any Permitted Materials, and/or (v) any breach by Tenant of its obligations and/or covenants under this Section.

(c) "Hazardous Materials" shall mean and include any substance, material, waste, contaminant or pollutant that is now or hereafter listed, defined, characterized or regulated as hazardous, toxic or dangerous under or pursuant to any federal, state, regional, county or local governmental authority having jurisdiction over the Premises or its use or operation, including, without limitation, (i) any substance, material, element, compound, mixture, solution, waste, chemical or pollutant listed, defined, characterized or regulated as hazardous, toxic, or dangerous under any Applicable Environmental Law, (ii) petroleum, petroleum derivatives or by-products and other hydrocarbons, (iii) polychlorinated biphenyls (pcb's), (iv) asbestos, (v) urea formaldehyde, (vi) radioactive substances, materials or waste, and (vii) any other substance or material, the investigation, removal or remediation of which is required or the generation, use, handling or disposal of which is restricted, prohibited, regulated or penalized by any Applicable Environmental Law.

(d) "Applicable Environmental Law" shall mean and include (i) the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C.ss.ss.9601 et seq. ("CERCLA"); (ii) the Resource Conservation and Recovery Act, 42 U.S.C.ss.ss.6901 et seq. ("RCRA"); (iii) the Federal Water Pollution Control Act, 33 U.S.C.ss.ss.1251 et seq.; (iv) the Clean Air Act, 42 U.S.C.ss.ss.7401 et seq.; (v) the Hazardous Materials Transportation Act, 49 U.S.C.ss.ss.1471 et seq.; (vi) the Toxic Substances Control Act, 15 U.S.C.ss.ss.2601 et seq.; (vii) the Emergency Planning and Community Right-to-Know Act, 42 U.S.C.ss.ss.11001 et seq.; (viii) the National Environmental Policy Act, 42 U.S.C.ss.ss.4321 et seq.; (ix) the Rivers and Harbours Act of 1899, 33 U.S.C.ss.ss.401 et seq.; (x) the Occupational Safety and Health Act, 29 U.S.C.ss.ss.651 et seq.; (xi) the Safe Drinking Water Act, 42 U.S.C.ss.ss.300(f) et seq.; (xii) any amendments to the foregoing Acts as adopted from time to time; (xiii) any rule, regulation, order, injunction, judgment, declaration or decree implementing or interpreting any of the foregoing Acts, as amended; (xiv) any other federal, state, regional and local statute, law, ordinance, rule, regulation, order or decree, regulating, relating to, interpreting or imposing liability or standards of conduct concerning any hazardous, toxic or dangerous substance, material, waste,

chemical or pollutant now or hereafter in effect; and (xv) any permit, license, certificate, consent, approval or authorization issued by any federal, state or local government agency under any of the foregoing regarding the Premises or the operations thereon.

(e) Notwithstanding the foregoing, Landlord shall be responsible for indemnifying Tenant from and against any release of Hazardous Materials prior to the commencement of the Prior Lease (as defined in Section 24 herein), and any release by Landlord, its agents or employees.

(f) Notwithstanding anything set forth herein to the contrary, the obligations of Tenant under this Section shall survive the expiration or termination, for any reason, of this Lease.

11. CONDEMNATION.

(a) Total Condemnation of Leased Premises. If the whole of the Premises shall be acquired or condemned by eminent domain or by private sale in lieu of condemnation for any public or quasi public use, then the term of this Lease shall cease and terminate as of the date of title vesting in such proceeding.

(b) Partial Condemnation. If any part of the Premises shall be acquired or condemned by eminent domain or by private sale in lieu of condemnation, as aforesaid, and in the event that such partial taking or condemnation shall render the leased Premises, in Tenant's reasonable discretion, unsuitable for the business of the Tenant, or, if the restoration and repair required to restore the Premises cannot be completed within one hundred eighty (180) days of such condemnation, then Tenant shall have the right to terminate this Lease effective as of the date of title vesting in such proceeding by providing Landlord with written notice of Tenant's intent to terminate within thirty (30) days of such proceeding. In the event of a partial taking or condemnation which, in Tenant's reasonable discretion, is not extensive enough to render the Premises unsuitable for the business of the Tenant, then Landlord, at Landlord's sole expense, shall promptly restore the leased Premises to a condition comparable to its condition at the time of such condemnation less the portion lost in the taking, and this Lease shall continue in full force and effect with reduction or abatement of rent.

(c) In the event of any such condemnation or sale in lieu of condemnation, the award or the proceeds of sale shall be distributed between Landlord and Tenant in accordance with their respective interests, provided, Landlord shall not have any interest in a separate award made to Tenant for

loss of business, moving expenses or the taking of Tenant's trade fixtures and equipment. The provisions of this paragraph shall survive the termination of the Lease.

12. ASSIGNMENT. Tenant shall not assign this Lease or sublet all or any part of the Premises without Landlord's written consent, which consent shall not be unreasonably conditioned, withheld or delayed. Tenant may assign this Lease, however, or sublet all or part of the Premises to its affiliates, subsidiaries or parent corporation without Landlord's approval. Notwithstanding any assignment or subletting, Tenant will at all times remain liable for the performance of all terms and conditions which it is required to perform under this Lease.

13. DEFAULT. The occurrence of any of the following events shall be deemed to be events of default by Tenant (or Landlord, as the case may be) under this Lease:

(a) Tenant's failure to pay any of the monthly rentals herein provided and such failure shall continue for a period of ten (10) days after receipt by Tenant of written notice thereof from Landlord.

(b) Failure by either party to comply with any provision of this Lease (other than the payment of rent), if not remedied within a period of thirty (30) days after receipt of written notice of such failure from the other party, or, if such default cannot be remedied within such period, such party does not, within thirty (30) days after receipt of such written notice, commence such act or acts as shall be necessary to remedy the default and shall not thereafter complete such act or acts within a reasonable time, not to exceed sixty (60) days.

(c) Tenant's insolvency or Tenant making an assignment for the benefit of its creditors.

(d) Tenant's filing of a petition under the laws of the United States relating to bankruptcy (11 U.S.C. ss. _____) or under any similar law of any state; or Tenant shall be adjudged bankrupt or insolvent in proceedings filed thereunder.

(e) The appointment of a receiver or trustee for Tenant's property and such appointment is not vacated or set aside within sixty (60) days.

14. REMEDIES. Upon the occurrence of an event of default, Landlord may pursue any one or more of the following remedies:

(a) Terminate this Lease upon thirty (30) days prior written notice sent by certified mail, overnight courier or hand-delivered to Tenant and thereupon re-enter and take possession of the Premises holding Tenant liable for damages resulting from such termination, including the loss of rents occasioned by Landlord's inability, despite its reasonable efforts, to relet the Premises upon satisfactory terms, or otherwise.

(b) Upon notice by certified mail, overnight courier or hand-delivered to Tenant, re-enter and take possession of the Premises and relet the Premises or any part thereof and receive the rent therefor and hold Tenant liable for any deficiency which may result from such reletting.

(c) Enter upon the Premises and do whatever Tenant is obligated to do under this Lease and hold Tenant liable for any expenses thus incurred.

(d) Pursuit of any one of such remedies shall not preclude pursuit of any of the other remedies herein provided or any other remedies provided by law. Failure of Landlord to enforce one or more of such remedies upon default shall not constitute a waiver of the default or of any other breach of any of the terms of this Lease.

15. FORCE MAJEURE. Neither Landlord nor Tenant shall be deemed to be in default under this Lease because of any failure to perform or any delay in performance caused by force majeure, i.e. fire, earthquake, flood, explosion, casualty, strike, unavoidable accident, riot, insurrection, civil disturbance, act of the public enemy, embargo, war, act of God, inability to obtain labor, materials or supplies or any other similar cause beyond the control of the party in question.

16. ATTORNEY'S FEES. If, on account of any breach or default by either party to this Lease, it shall become necessary for the other party to employ an attorney to enforce or defend any of such party's rights or remedies hereunder, the defaulting party agrees to pay any reasonable attorney's fees incurred by the other party in such connection, including appellate costs.

17. HOLD OVER. Should Tenant, or any of his successors in interest, hold over the leased Premises, or any part thereof, after the expiration of this Lease and any Renewal Term, unless otherwise agreed in writing, such holding over shall be deemed a tenancy from month-to-month only, at a monthly rental equal to the rent paid for the last month of the lease or renewal term.

18. LIENS. Neither Tenant nor Landlord shall permit any mechanic's or materialman's or other lien to stand against the leased Premises for any labor or material furnished either of them in connection with work of any character performed on said Premises by or at their direction. Either Landlord or Tenant, however, shall have the right to contest the validity or amount of any such lien; provided that, upon final determination of such questions, the party whose actions gave rise to such lien shall immediately pay any judgment rendered with all proper costs and charges and shall have the lien released at its own expense.

19. SUBORDINATION AND NON-DISTURBANCE. (a) This Lease and all rights of Tenant hereunder are and shall be subject and subordinate to the lien of any first priority mortgage, deed to secure debt, deed of trust, or other instrument in the nature thereof which may now or hereafter affect Landlord's fee title to the Premises or Landlord's interest hereunder and to any modifications, renewals, consolidations, extensions, or replacements of any of the foregoing, subject, however, in each case to the condition that the holder of the mortgage or deed of trust shall agree that this Lease shall not be divested by foreclosure or other default proceedings thereunder so long as Tenant is not in default under the terms of this Lease beyond any applicable cure period set forth herein.

This clause shall be self-operative and no further instrument of subordination shall be required by any mortgagee. In confirmation of such subordination, Tenant, shall, upon demand at any time or times, execute, seal and deliver to Landlord, without expense to Landlord, any and all instruments in recordable form that may be requested by Landlord to evidence the subordination of this Lease and all rights hereunder to the lien of any such mortgage, deed to secure debt, deed of trust or other instrument in the nature thereof, and each renewal, modification, consolidation, replacement, and extension thereof.

In addition, Tenant shall, upon Landlord's request, at any time or times, execute, seal and deliver to Landlord without expense to Landlord, any and all instruments that may be necessary to make this Lease superior to the lien of any such mortgage, deed to secure debt, deed of trust, or other instrument in the nature thereof, and each renewal, modification, consolidation, replacement, and extension thereof, and, if Tenant shall fail at any time to execute, seal and deliver such instrument, Landlord in addition to any other remedies available to it in consequence thereof, may execute, seal and deliver the same as the attorney in fact of Tenant and in Tenant's name, place and stead, and Tenant

hereby irrevocably makes, constitutes, and appoints Landlord, its successors and assigns, such attorney in fact for that purpose.

If the holder of any mortgage, deed to secure debt, deed of trust, or other instrument in the nature thereof shall hereafter succeed to the rights of Landlord under this Lease, whether through possession or foreclosure action or delivery of a new Lease, then Tenant shall attorn to and recognize such successor as Tenant's Landlord under this Lease, and shall promptly execute and deliver any instrument that may be necessary to evidence such attornment. Upon the attornment provided for herein, this Lease shall continue in full force and effect as a direct lease between such successor Landlord and Tenant, subject to all the terms, covenants, and conditions of this Lease.

(b) Landlord shall, upon Tenant's reasonable request, deliver to Tenant an agreement from the mortgagee or trustee, if any, of any existing mortgage or deed of trust, that said mortgagee or trustee shall not bring action against the Tenant for the purpose of terminating Tenant's interest or estate in the demised Premises, provided Tenant is not then in default.

20. COMMISSION. The Landlord shall have no responsibility for any broker fees or commissions in connection with this Lease and Tenant shall hold Landlord harmless from same.

21. NOTICES. Any notice allowed or required by this Lease shall be deemed to have been sufficiently delivered if the same shall be in writing and placed in the United States Mail, via certified mail or registered mail, return receipt requested, with proper postage prepaid. Notices required or permitted to be given under this Lease shall be addressed as follows:

(a) If to Landlord:

Ragland Corporation
4544 Harding Road
Suite 214
Nashville, TN 37205

With a copy to:

Waller Lansden Dortch & Davis, PLLC
511 Union Street, Suite 2100
Nashville, TN 37219
Attn: Walter H. Crouch, Esq.

(b) If to Tenant:

Coca-Cola Bottling Co. Consolidated

P. O. Box 31487
Charlotte, N.C. 28231-1487
Attn: Director, Facility Management

and

Kennedy Covington Lobdell & Hickman, L.L.P.
NationsBank Corporate Center
100 North Tryon Street, Suite 4200
Charlotte, NC 28202-4006
Attn: Charles O. DuBose, Esq.

Or such other address(es) as the parties may specify by notice given pursuant to this Section.

22. ENTIRE CONTRACT. This Lease embodies the entire contract between the parties and it shall not be altered, amended or modified in any respect except by an instrument of equal dignity.

23. SHORT FORM MEMORANDUM. Upon the request of either party, the parties shall execute a short form memorandum of this Lease, in recordable form, which may be placed of record in lieu of recording this Lease.

24. PRIOR LEASE. The parties agree to terminate that certain lease of the Premises which is of record at Book 4883, Page 57, Register's Office of Davidson County, Tennessee (the "Prior Lease"), and that such termination shall occur, following the execution and delivery of this Lease, as the Effective Date hereof.

25. BINDING CONTRACT. The terms, provisions and covenants and conditions contained in this Lease shall apply to, inure to the benefit of, and be binding upon the parties signatory hereto and their respective successors in interest, except as otherwise herein expressly provided.

26. EVIDENCE OF AUTHORITY. If requested by the other party, each party hereto shall furnish appropriate legal documentation evidencing the valid existence and good standing of such party and the authority of any parties signing this Lease to act for such party.

27. SEVERABILITY. If any term or provision of this Lease or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it

is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Lease shall be valid and enforced to the fullest extent permitted by law notwithstanding the invalidity of any other term or provision hereof.

IN WITNESS WHEREOF, the parties have executed this Lease in triplicate as of the Effective Date.

RAGLAND CORPORATION

By: /s/ Elizabeth R. Chalfant

Elizabeth R. Chalfant
President and CEO

COCA-COLA BOTTLING CO.
CONSOLIDATED

By: /s/ Charles L. Weathers

Title: Dir. of Facility Mgmt.

STATE OF TENNESSEE)
)
COUNTY OF DAVIDSON)

Before me, Sally A. Clayton, a Notary Public of the State and County aforesaid, personally appeared Elizabeth R. Chalfant, with whom I am personally acquainted, and who, upon oath, acknowledged herself to be President and Chief Executive Officer of the Ragland Corporation, the within named bargainor, a corporation, and that she as such officer, being authorized so to do, executed the forgoing instrument for the purpose therein contained, by signing the name of the corporation by herself as President and Chief Executive Officer.

Witness my hand and seal, at office in Nashville, Tn.,
this 1st day of March, 1999.

/s/ Sally A. Clayton

NOTARY PUBLIC

Commission Expires: 9-29-2001

STATE OF North Carolina)
)
COUNTY OF Union)

Before me, LaVonne G. Beck, a Notary Public of the State and County aforesaid, personally appeared Charlie L. Weathers, with whom I am personally acquainted, and who, upon oath, acknowledged himself to be Director of Facility Management, of the Coca-Cola Bottling Co. Consolidated, the within named bargainor, a corporation, and that____ he as such Director, Facility Mgmt being authorized so to do, executed the forgoing instrument for the purpose therein contained, by signing the name of the corporation by himself as Director of Facility Management .

Witness my hand and seal, at Corporate office in Charlotte, NC, this 23rd day of February, 1999.

/s/ LaVonne G. Beck

NOTARY PUBLIC

Commission Expires: My Commission Expires February 20, 2002

STATE OF NORTH CAROLINA

PURCHASE AND SALE AGREEMENT

COUNTY OF MECKLENBURG

THIS PURCHASE AND SALE AGREEMENT (this "Agreement") is made and entered into as of the 15th day of December, 2000, by and between COCA-COLA BOTTLING CO. CONSOLIDATED, hereinafter referred to as the "Seller"; and HARRISON LIMITED PARTNERSHIP ONE, hereinafter referred to as the "Buyer."

W I T N E S S E T H:

FOR AND IN CONSIDERATION OF the mutual agreements and undertakings herein set forth and other valuable considerations, the receipt and sufficiency of which are hereby acknowledged, Seller agrees to sell and convey to Buyer, and Buyer agrees to purchase from Seller the Property described in Paragraph 1 herein on the terms and conditions hereinafter set forth:

1. Description of Property. The property which is subject to this Agreement (the "Property") consists of approximately 21.3 acres of land as more particularly described on Exhibit A and attached hereto and incorporated herein by reference, together with and including (i) all improvements located thereon, (ii) all trees and shrubbery located thereon, (iii) any and all applicable agricultural allotments, (iv) all of Seller's interest in and to any and all mineral and subsurface rights and appurtenances thereto, (v) all easements and rights-of-way affecting the Property and all of Seller's rights to use same, (vi) all rights of ingress and egress to and from the Property, (vii) any and all right, title and interest of Seller in and to any and all roads, streets and rights-of-way affecting or bounding the Property (viii) any and all rights of Seller in an to all improvements situated on the real property located adjacent to and to the northwest of the Property and (ix) any and all development rights, including the present or future use thereof, relating to the Property, including sanitary sewer capacity, drainage, water and other utility facilities to the extent they pertain to or benefit the Property, including, without limitation, all reservations of or commitments, letters or agreements relating to any such use currently or in the future.

2. Purchase Price and Time of Payment. The purchase price to be paid by Buyer to Seller for the Property (the "Purchase Price") shall be equal to TEN MILLION FOUR HUNDRED TWENTY THOUSAND SEVENTY-SIX and NO/100 DOLLARS ($10,420,076.00) (subject to a final accounting of the actual Construction Costs (as defined in Paragraph 24 herein) as provided in Paragraph 24 herein). The Purchase Price shall be payable in United States currency by way of federal wire transfer or other immediately available funds at Closing (as defined in Paragraph 5 herein).

3. Binder Deposit and Escrow Agent's Rights and Duties. Within five (5) business days after the Effective Date (as defined in Paragraph 25(A) herein), Buyer shall pay and deliver to First American Title of the Carolinas, LLC (the "Escrow Agent") the sum of FIVE THOUSAND AND NO/100 DOLLARS ($5,000.00) as a binder deposit and down payment of the Purchase Price (the "Binder Deposit") to be held in trust for the mutual benefit of the parties, subject to the following terms and conditions:

(a) The Binder Deposit shall be deposited or invested by Escrow Agent in a money market fund or certificate of deposit with a lending institution mutually agreed upon by Buyer and Seller with the interest thereon to accumulate until such time as the Binder Deposit is released. If this Agreement terminates under circumstances which would permit forfeiture of the Binder Deposit to Seller, Seller will receive all interest accrued thereon; likewise, if this Agreement terminates under circumstances allowing Buyer to receive a refund of the Binder Deposit, Buyer will receive all interest accrued thereon. If the sale of the Property closes as contemplated, Buyer will receive the benefit of the Binder Deposit and interest accrued thereon as a credit against the Purchase Price.

(b) If Escrow Agent shall be unable to determine at any time to whom the Binder Deposit should be paid or if a dispute should develop between Seller and Buyer concerning the disposition of the Binder Deposit, then in any such event, Escrow Agent shall pay the Binder Deposit and interest accrued thereon in accordance with the joint (or consistent) written instructions of Seller and Buyer. In the event that such joint (or consistent) written instructions shall not be received by Escrow Agent within ten (10) days after Escrow Agent shall have served written requests for such joint (or consistent) written instructions upon Seller and Buyer, Escrow Agent shall have the right to pay all of the Binder Deposit and interest accrued thereon into a state court in Charlotte, North Carolina, having jurisdiction relative to such matter and to interplead Seller and Buyer in respect thereof; and, thereafter, Escrow Agent shall be discharged of any further or continuing obligations in connection with the Binder Deposit and interest accrued thereon.

(c) If costs and expenses (including attorneys' fees) are incurred by Escrow Agent because of litigation or any dispute between Seller and Buyer arising out of the holding of the Binder Deposit, the non-prevailing party (i.e., either Seller or Buyer) shall reimburse Escrow Agent for such reasonable costs

and expenses incurred. Seller and Buyer hereby agree and acknowledge that Escrow Agent assumes no liability in connection with the holding or investment of the Binder Deposit pursuant hereto, except for the negligence or willful misconduct of Escrow Agent and its employees and agents. Escrow Agent shall not be responsible for the validity, correctness or genuineness of any document or notice referred to herein; and, in the event of any dispute under this Agreement relating to the disposition of the Binder Deposit, Escrow Agent may seek advice from its own counsel and shall be fully protected in any action taken in good faith in accordance with the opinion of Escrow Agent's counsel.

(d) Escrow Agent's address for purposes of mailing or delivering documents and notices hereunder is as follows:

First American Title of the Carolinas, LLC
801 East Morehead Street, Suite 301
Charlotte, NC 28202

Attention: Mr. William B. Webb, Jr.

Telephone: (704) 334-3060
Facsimile: (704) 334-0768

Provisions with respect to notices set forth in Paragraph 22 herein shall apply with respect to notices given by or to Escrow Agent hereunder.

4. Survey. Buyer may, at Buyer's sole expense, cause a survey of the Property (the "Survey") to be prepared by a registered land surveyor of Buyer's choosing. The Survey shall indicate the location of all specific easements, roadway rights-of-way (public or private), railroad rights-of-way, flood plain areas, floodway fringe areas, wetlands areas (the location of which may be based on a wetlands study that Buyer may obtain pursuant to this Agreement), any existing building setback lines and other matters affecting the Property. A copy of such Survey shall be provided to Seller at the earliest practicable time after completion of same (but in any event prior to the expiration of the Investigation Period (as defined in Paragraph 8 herein)), and a description of the Property contained in the Deed (as defined in Paragraph 6 herein) shall be prepared from the Survey.

5. Closing and Closing Date. The consummation of the sale and purchase of the Property hereunder (the "Closing") shall take place on December 15, 2000 (the "Outside Date of Closing"), or on

an alternate date mutually agreed upon by Buyer and Seller, at a mutually convenient time and location in Charlotte, North Carolina, and exclusive possession of the Property shall be delivered to Buyer at Closing.

6. Delivery of Deed and Warranties. At the Closing of the sale and purchase of the Property, Seller shall deliver to Buyer special warranty deed (the "Deed") in form and content satisfactory to Buyer's attorneys, conveying to Buyer a good, indefeasible fee simple and insurable title to the Property, said title to be insurable both as to fee and marketability thereof at regular rates of a title insurance company of national recognition acceptable to Buyer (the "Title Company") without exception except as to those matters enumerated herein. The Property shall be conveyed by Seller to Buyer free and clear of all liens, encumbrances, claims, rights-of-way, easements, leases, restrictions and restrictive covenants, except that said Property may be conveyed subject only to the matters and exceptions specified on Exhibit B attached hereto and incorporated herein by this reference (the "Permitted Exceptions"). Seller warrants that it presently has good, indefeasible, fee simple, marketable title to all the Property.

Buyer at its expense shall have ninety (90) days following the Effective Date within which to cause title to the Property to be examined ("Buyer's Initial Title Examination Period") and to give Seller written notice setting forth any objection(s) (other than the Permitted Exceptions) to Seller's title. In the event Buyer fails to deliver such a statement of title objections prior to the expiration of Buyer's Initial Title Examination Period, Buyer shall be deemed to have waived all rights under this paragraph as such rights relate to title matters of record prior to the Effective Date. Seller shall have fifteen (15) days after receipt of such statement to satisfy such title objections, and if Seller fails to satisfy such objections within such fifteen (15) day period, then, at the option of Buyer, evidenced by written notice to Seller given within ten (10) days after the expiration of said fifteen (15) day period, Buyer may: (i) declare this Agreement null and void and have its Binder Deposit refunded or (ii) elect to close and receive the Deed required herein from Seller irrespective of such title objections and without reduction of the Purchase Price, except that liens affecting the Property which are dischargeable by payment of money may be paid by Buyer at Closing and the Purchase Price shall be reduced by said amount. The Closing shall be postponed as necessary to comply with the provisions of this paragraph. If Buyer elects choice (i) of this paragraph, Seller shall reimburse Buyer for expenses incurred by Buyer for surveys (boundary and/or topographical), architectural, land planning, legal and other out-of-pocket expenses respecting this Agreement and/or the Property, and Buyer shall receive a full refund of the Binder Deposit, whereupon the parties hereto shall have no further rights, obligations or liabilities with respect to each other hereunder. If Buyer fails to exercise any of the two (2) options within the aforementioned ten (10) day period, Buyer shall be deemed to have elected to proceed under choice (i) above. Notwithstanding the foregoing, with respect to objections to Seller's title which first arise, occur or appear of record after the date and time of Buyer's Initial Title Examination (if Buyer delivers to Seller a title objections statement as set forth above), or alternatively, after the Effective Date (if Buyer fails to deliver to Seller a title objections statement as set forth above), Buyer may raise such objections at any time, and it is the intention of the parties that Seller shall take all action(s) necessary to clear all such title objections prior to Buyer being obligated to close under the terms of this Agreement. The Closing shall be postponed for so long as necessary for the title objections to be cleared to the satisfaction of Buyer and the Title Company; provided, however, if Seller is unsuccessful in clearing said title exceptions within a period of thirty (30) days after the Outside Date of Closing, Buyer may elect at any time thereafter either choice (i) or (ii) above.

7. Zoning. The obligations of Buyer under this Agreement are in all respects conditioned upon and subject to the Property being zoned at Closing as same is zoned as of the Effective Date (or other zoning acceptable to Buyer) and upon there then being no pending or proposed application for any rezoning or change in zoning not consented to by Buyer that would apply to the Property or any portion thereof which would inhibit or prohibit Buyer from developing and utilizing the Property for operation of a distribution and production facility with office and sales space (the "Contemplated Use") or which would increase the costs of developing the Property for the Contemplated Use. In the event Seller obtains knowledge of any application or proposal for rezoning or change in zoning of the Property or any portion thereof, Seller shall immediately notify Buyer and then Buyer, in Buyer's sole discretion, shall have the option of terminating this Agreement by declaring said Agreement null and void, in which event all monies

advanced by Buyer, including the Binder Deposit, shall be immediately refunded to Buyer, whereupon the parties hereto shall have no further rights, obligations or liabilities with respect to each other hereunder. Seller represents and warrants to Buyer that it will not apply for, encourage or consent to any zoning or rezoning of the Property without Buyer's prior written consent.

8. Pre-Closing Rights and Privileges. From the Effective Date until such time as this Agreement is either settled or terminated, Buyer, Buyer's authorized agents and employees, as well as others authorized by Buyer, shall have full and complete access to the Property and shall be entitled to enter upon the Property to conduct and complete such investigations, inspections, evaluations, studies, tests and measurements, including, without limitation, various environmental and geotechnical studies (collectively, the "Physical Investigations"), as Buyer, in Buyer's sole discretion, deems necessary or advisable (including the removal of trees, shrubs, and other natural growth and features reasonably necessary in connection with such Physical Investigations); provided, however, none of the Physical Investigations so conducted will result in any material adverse change to the physical characteristics of the Property. Buyer shall also have the right during such period to make such market and/or financial feasibility studies, and all other such investigations, evaluations and studies (collectively, the "Financial Investigations") as Buyer, in Buyer's sole discretion, deems necessary or advisable. The Physical Investigations and the Financial Investigations are herein sometimes together referred to as the "Investigations." Buyer agrees to indemnify and hold Seller harmless from and against any and all claims, costs, expenses, and liabilities for personal injury or damage to the property of third parties, including reasonable attorneys' fees, arising out of or by reason of the Physical Investigations of Buyer or Buyer's agents prior to settlement or other termination of this Agreement; provided, however, such indemnification obligations shall exclude any claims, costs, expenses and liabilities arising out of (i) the discovery of, or the accidental or inadvertent release of, any Substances (as defined in Paragraph 13(K) herein) resulting from the Physical Investigations, which Substances were in, on or under the Property prior to the commencement of the Physical Investigations or (ii) the negligence of Seller or Seller's employees or agents.

Buyer shall have the unqualified right at any time within the one hundred twenty (120) day period following the Effective Date (the "Investigation Period") to terminate this Agreement by giving written notice thereof to Seller, and Buyer shall not be required to give any reason or basis for such termination. If Buyer elects to terminate this Agreement as provided in this Paragraph 8, the Binder Deposit shall be promptly returned by Escrow Agent to Buyer, whereupon the parties hereto shall have no further rights, obligations or liabilities with respect to each other hereunder.

9. Mechanics' or Materialmen's Liens. Seller agrees to provide at Closing an executed owner's affidavit or other document(s) required by the Title Company as a condition to the issuance of a final title insurance policy in favor of Buyer without exception to the standard, pre-printed title exceptions, including, without limitation, lien claims of mechanics, laborers and materialmen. Additionally, Seller shall discharge in full any and all such indebtedness at or before the Closing.

10. Risk of Loss. In the event a material portion of the acreage or the improvements thereon within the Property is damaged by fire or other casualty prior to Closing, Buyer may (i) declare this Agreement null and void and receive a full refund of the Binder Deposit, whereupon the parties hereto shall have no further rights, obligations or liabilities with respect to each other hereunder, or (ii) complete the purchase of the Property without reduction of the Purchase Price, in which event Buyer shall be entitled to all of Seller's right to receive insurance proceeds applicable to such casualty. Seller agrees to maintain the existing casualty insurance policy on the Property, if any, until Closing.

11. Waste. Buyer's obligations under this Agreement are in all respects conditioned upon and subject to the Property being in substantially the same condition at Closing as exists on the Effective Date (with the exception of the addition of the New Improvements (as defined in Paragraph 24 herein)).

12. Closing Costs. Seller shall pay the cost and expense for preparing the Deed, any "recording" or transfer fee or tax associated with the conveyance of title to the Property to Buyer (except nominal filing fees), and the cost of Seller's own attorneys. Seller shall also be responsible for and discharge prior to Closing all governmental and quasi-governmental assessments (special or otherwise) and charges placed against or applicable to the Property prior to the Closing, whether or not the same are due and payable prior to Closing.

Buyer shall pay for the expense of the Survey, the cost of filing the Deed (i.e., nominal filing fees), the cost of the Title Commitment and any owner's policy of title insurance that Buyer elects to purchase for the Property, the cost of the Investigations and the cost of Buyer's own attorneys. Other than as specifically provided herein, (i) Seller shall bear all costs and expenses that are normally and customarily borne by sellers of similar real estate in the locale where the Property is located; and (ii) Purchaser shall bear all costs and expenses that are normally and customarily borne by purchasers of similar real estate in the locale where the Property is located.

13. Conditions Precedent to Buyer's Obligations. In addition to any other conditions precedent to the performance of Buyer's obligations under this Agreement, the obligations and liabilities of Buyer hereunder shall in all respects be conditioned upon satisfaction of each of the following conditions precedent (the conditions precedent set forth in this Paragraph 13 being collectively referred to as the "Conditions Precedent") as of Closing (any of which may be waived by written notice from Buyer to Seller):

(a) Seller shall have presented evidence satisfactory to Buyer, Buyer's attorney and the Title Company with respect to the right, power and authority of designated representative(s) of Seller to execute the closing documents and consummate the sale of the Property.

(b) No toxic or hazardous material or waste limited or regulated by any governmental or quasi-governmental authority, or that, even if not so limited or regulated, could or does pose a hazard to the health or safety of the occupants of the Property or adjacent properties (collectively, "Substances"), including, but not limited to, asbestos, polychlorinated biphenyls, petroleum products and substances regulated under any federal, state or local environmental statute, law, order, ordinance, regulation, rule, requirement or right or remedy existing under common law or in equity (collectively, the "Statutes and Laws") shall have been or, as of the Closing, shall be, located, released (within the meaning of 42 U.S.C.ss. 9601(22)), stored, treated, generated, transported to or from, disposed of (with the meaning of 42 U.S.C.ss.6903(3)) or allowed to escape on the Property, including, without limitation, the surface and subsurface waters of the Property. No endangered species of plants or animals shall be located within the boundaries of the Property and no portion of the Property has been or, prior to Closing, shall be a critical habitat for an endangered species. No above ground storage tanks ("ASTs") or underground storage tanks ("USTs") shall have been located on the Property or, if located on the Property, shall have been subsequently removed and disposed of in full compliance with all applicable Statutes and Laws (satisfactory evidence of which shall have been provided to Buyer). No portion of the Property shall have been used for waste treatment, storage or disposal, and no wetlands shall be located within the boundaries of the Property. No investigation, administrative or judicial order, governmental notice of noncompliance or violation, remediation action plan, consent order and/or agreement, administrative proceeding, civil or criminal litigation or settlement under Statutes and Laws or with respect to Substances, ASTs or USTs shall be proposed, threatened, anticipated or in existence with respect to the Property.

The Property and Seller's operations at the Property have been in the past and shall be at the Closing in compliance with all applicable Statutes and Laws (satisfactory evidence of which shall have been provided to Buyer). No notice shall have been served on or

delivered to Seller from any entity, governmental body or individual claiming any violation of any Statutes and Laws or demanding payment or contribution for environmental cleanup costs, environmental damage, harm to endangered species, or injury to natural resources, or asserting liability with respect to same.

(c) In the event a subdivision is required pursuant to applicable law in connection with the conveyance of the Property to Buyer, Seller shall, at Seller's sole cost and expense, have obtained all necessary approvals respecting such subdivision and such approvals shall be final and nonappealable prior to or as of the Closing.

(d) Seller shall have completed construction of the New Improvements in accordance with the terms of Paragraph 24 herein, and Seller shall have executed and delivered a Lease Agreement substantially similar to that attached hereto as Exhibit C prior to the Closing, such Lease Agreement to be effective immediately upon the Closing.

Seller agrees to use its good faith, diligent efforts to cause each Condition Precedent that is Seller's responsibility under this Agreement to be satisfied as soon as reasonably possible after the Effective Date and to continue such efforts thereafter (if and as necessary to achieve such satisfaction). Buyer agrees to use its good faith, diligent efforts to cause each Condition Precedent that is Buyer's responsibility under this Agreement to be satisfied as soon as reasonably possible after the Effective Date and to continue such efforts thereafter (if and as necessary to achieve such satisfaction).

14. Seller's Representations and Warranties. Seller hereby makes the following representations and warranties to Buyer, each of which shall be deemed material:

(a) Seller has good and marketable fee simple title to the Property, and there are no mechanics' liens, contractors' claims, unpaid bills for material or labor pertaining to the Property or any other similar liens which might adversely affect Seller's title to the Property, except for current ad valorem real estate taxes which shall be prorated on a per diem basis as of Closing based on the fiscal year of the taxing authority.

(b) There are no tenants or other persons or entities on the Property which will have a right of possession beyond the date of Closing.

(c) There are no pending, threatened or contemplated condemnation actions involving all or any portion of the Property and Seller has received no notice nor is Seller aware of any such action. If, between the Effective Date and the Closing, any portion of the Property is subject to pending, threatened or contemplated condemnation action by any governmental agency, Buyer shall have the option, in Buyer's sole discretion, of declaring this Agreement null and void and having the Binder Deposit refunded. Seller shall notify Buyer within three (3) business days of receipt of any information concerning any such condemnation action, and in turn Buyer must elect within ten (10) business days from the date of receipt of the said information whether to (i) declare this Agreement null and void and have the Binder Deposit refunded as stated above, whereupon the parties hereto shall have no further rights, obligations or liabilities with respect to each other hereunder, or (ii) proceed to close the transaction and receive an assignment of all of Seller's right, title and interest in and to any condemnation award. If Buyer elects (ii), Seller shall fully cooperate, at no expense, however, to Seller, with Buyer in any condemnation action.

(d) As of the Closing, no maintenance, management, service, supply, employment or other contracts shall exist with respect to the Property which has not been approved by Buyer in writing.

(e) From the Effective Date until the Closing, Seller shall:

(1) Maintain the Property in the same condition as presently exists, reasonable wear and tear excepted.

(2) Perform all of its obligations under any contracts respecting the Property and promptly notify Buyer of any default thereunder.

(3) Provide Buyer and its representatives reasonable access to the Property and reasonable access to all engineering information, reports, soil tests, surveys, plans and records available to Seller relating to the Property.

(4) Refrain from entering into, or negotiating with regard to, any contract or commitment or from incurring any expenditure or obligation affecting the Property or the title thereto which would extend beyond the Closing or would involve payments that would not be paid in full prior to the Closing without the prior written consent of Buyer.

(5) Pay promptly all real and personal property taxes, assessments, sewer and water charges, other governmental levies when due, utility charges, indebtedness secured by deed(s) to secure debt or other liens, and, generally, all expenses (including repairs and replacements) incurred by Seller in the operation of the Property of every nature, whether ordinary or extraordinary, which may arise out of or accrue because of the ownership or operation of the Property.

(6) Make no lease or rental of the Property or any portion thereof without the prior written consent of Buyer, or negotiate, actively market or enter into any other contract or option for the sale of the Property or any portion thereof, or further encumber the Property with any restriction or easement.

(f) The entry into this Agreement, the execution and delivery of all instruments and documents required to be executed and delivered under the terms hereof, and the performance of all acts necessary and appropriate for the full consummation of the transaction contemplated hereunder are consistent with, and not in violation of, and will not create any adverse condition under, any law, ordinance, rule, regulation, contract, agreement, or instrument to which Seller is a party or any law, ordinance, rule, regulation, judicial order or judgment of any nature under which Seller is bound. In addition, Seller has taken or caused to be taken all actions required to render this Agreement enforceable against Seller in accordance with its terms.

(g) Seller has not received, with respect to the Property, any notice from any insurance company, governmental agency, adjacent landowners or any other party of (i) any condition, defect, or inadequacy that, if not corrected, would result in termination of insurance coverage or increase its costs, (ii) any violation of building codes and/or zoning ordinances, subdivision ordinances, watershed regulations, or other governmental laws, regulations or orders, (iii) any proceedings that could or would cause the change, redefinition, or other modification of the zoning classification, or of other legal requirements applicable to the Property or any part thereof, or any property adjacent to the Property, (iv) any moratorium that could or would in any way impair the development and use of the Property for the Contemplated Use or (v) any significant adverse fact or condition relating to the Property or its Contemplated Use that has not been disclosed in writing to Buyer by Seller or that would prevent, limit, impede or render more costly the Contemplated Use.

(h) Seller is not a "foreign person" which would subject Buyer to the withholding tax provisions of Section 1445 of the Internal Revenue Code of 1986, as amended, and, at Closing, Seller agrees to deliver to Buyer a certification, under penalty of perjury, in a form approved under regulations promulgated pursuant to Section 1445 of the Internal Revenue Code of 1986, as amended, to the effect that Seller is not a foreign person.

(i) To the best of Seller's knowledge, no Substances have been or shall (to the extent controllable by Seller), prior to the Closing, be located, released (within the meaning of 42 U.S.C.ss. 9601(22)), stored, treated, generated, transported to or from, disposed of (within the meaning of 42 U.S.C.ss. 6903(3)) or allowed to escape on the Property, including, without limitation, the surface and subsurface waters of the Property. To the best of Seller's knowledge, no ASTs or USTs are located on the Property or previously were located on the Property and subsequently removed or filled. To the best of Seller's knowledge, no portion of the Property has been used in the past for waste treatment, storage, or disposal, and no wetlands are located within the boundaries of the Property. To the best of Seller's knowledge, no endangered species of plants or animals shall be located within the boundaries of the Property and no portion of the Property has been or, prior to Closing, shall be a critical habitat for an endangered species. To the best of Seller's knowledge, no investigation, administrative or judicial order, governmental notice of noncompliance or violation, remediation action plan, consent order and agreement, administrative proceeding, civil or criminal litigation or settlement under Statutes and Laws or with respect to Substances, ASTs or USTs is proposed, threatened, anticipated or in existence with respect to the Property.

The Property and Seller's operations thereon are and, to the best of Seller's knowledge, in the past have been in compliance with all applicable Statutes and Laws. No notice has been or will (to the best of Seller's knowledge, information and belief) prior to the Closing, be served on or delivered to Seller from any entity, governmental body or individual claiming any violation of any Statutes and Laws or demanding payment or contribution for environmental cleanup costs, environmental damage, harm to endangered species, or injury to natural resources, or asserting liability with respect to same. Copies of any such notices received on or after the Effective Date (including after the Closing) shall be forwarded to Buyer within three (3) days of their receipt. If Seller has conducted or has access to an "environmental audit" or other environmental study, report or information respecting the Property, Seller shall provide Buyer with a true and complete copy of same within ten (10) days following the Effective Date.

(j) No third party currently has any rights with respect to minerals, mining, or surface or subsurface rights in connection with the Property; and upon Closing, Buyer will be vested with all such mineral, mining and other surface and subsurface rights free and clear of all claims of any third party.

(k) In the event a subdivision is required pursuant to applicable law in connection with the conveyance of the Property to Buyer, Seller shall use its best efforts to cause the Property to be properly subdivided in compliance with such applicable law prior to Closing. Further, Buyer may (but is not obligated to) act on Seller's behalf to undertake all such actions required as a result of the sale of the Property to Buyer to comply with any applicable subdivision law; and, in such case, Seller agrees to fully cooperate with Buyer's efforts and irrevocably appoints Buyer as Seller's attorney-in-fact (coupled with an interest) during the term of this Agreement for the purpose of complying with any applicable subdivision law, and Buyer shall be entitled to deduct costs and expenses incurred by Buyer to comply with such subdivision law from the Purchase Price to be paid by Buyer for the Property at Closing.

(l) Seller shall deliver to Buyer at Closing evidence satisfactory to Buyer, Buyer's attorneys and the Title Company with respect to the right, power and authority of Seller's designated representative(s) to execute and deliver the closing documents and consummate the sale of the Property, such evidence to include, without limitation, (i) an incumbency certificate and shareholder certificate signed and dated by the corporate secretary of Seller as of the date of Closing certifying as to the names (and corporate titles, as applicable) of officers, directors and shareholders of Seller as of the date of Closing and (ii) corporate resolutions of Seller authorizing Seller to enter into this Agreement and to perform all of Seller's obligations hereunder, acting through designated corporate officers of Seller.

All representations and warranties of Seller contained in this Agreement or any document or exhibit required to be executed by Seller pursuant hereto shall be true at the Closing as though such representations were made at such time; and, subject to the terms and provisions in the remainder of this paragraph, Seller shall execute and deliver an instrument satisfactory in form and substance to Buyer at Closing reaffirming all of said representations and warranties as of the date of Closing. If any such representation or warranty of Seller in this Agreement is not true when made and at the Closing (except to the extent any such representation, although true as of the Effective Date, is no longer true at the Closing as a result of a matter, event or circumstance beyond Seller's reasonable control), Buyer may consider same as an event of default hereunder and may pursue such remedies as are set forth in Paragraph 15(B) herein. If any representation or warranty of Seller herein, although true as of the Effective Date, is no longer true at the Closing as a result of a matter, event or circumstance beyond Seller's reasonable control, Buyer may not consider same as an event of default hereunder; but rather, in such case, Buyer may, at Buyer's option and as Buyer's sole remedy, terminate this Agreement and have the Binder Deposit refunded by Escrow Agent, whereupon the parties hereto shall have no further rights, obligations or liabilities with respect to each other hereunder. Further, if Seller acquires knowledge of any fact(s) rendering any of the foregoing representations and warranties false at any time prior to Closing, Seller shall promptly notify Buyer in writing of such fact(s).

15. Remedies on Default; Treatment of Binder Deposit.

(a) Buyer's Default. In the event that the terms and conditions of this Agreement have been satisfied and Buyer refuses or is unable to settle on this Agreement within the time limits herein set forth, Seller, as Seller's sole and exclusive remedy, shall be entitled to declare this Agreement cancelled and the Binder Deposit (or so much thereof as is then deposited with Escrow Agent) shall be forfeited to Seller as full liquidated damages, and the parties hereto shall have no further rights, obligations or liabilities with respect to each other hereunder.

(b) Seller's Default. In the event that Seller is unable, after exerting reasonable and good faith effort, to convey title to the Property or to deliver or comply with any other item herein required of Seller at Closing or to otherwise perform pursuant to the terms of this Agreement, Buyer shall have the right and option, as Buyer's sole and exclusive remedy, to either (i) immediately terminate this Agreement upon written notice to Seller and receive back the full amount of the Binder Deposit, and upon the return of same, the parties hereto shall have no further rights, obligations or liabilities with respect to each other hereunder, except that Seller shall reimburse Buyer for all of Buyer's out-of-pocket expenses incurred with respect to this Agreement and/or the Property and Seller shall pay liquidated damages to Buyer in an amount equal to the Binder Deposit, or (ii) demand and compel by legal proceedings (including specific performance) full compliance with the terms of this Agreement, including, without limitation, the immediate conveyance of the Property by Seller.

(c) Liquidated Damages. The amounts identified in Paragraph 15(A) and Paragraph 15(B) herein as liquidated damages have been agreed upon by Seller and Buyer after due

deliberation and discussion, and the same constitute good faith estimates of the damages of the party which would be entitled thereto pursuant to this Agreement, the respective parties' actual damages being difficult, if not impossible, to ascertain.

(d) Attorney's Fees. In the event suit is brought to enforce or interpret all or any portion of this Agreement or if suit is brought for liquidated damages or for any other relief permitted hereunder, the party, if any, awarded costs in such suit shall be entitled to recover, as an element of such costs, and not as damages, reasonable attorneys' fees incurred in connection with such suit. Without limiting the generality of the foregoing, attorneys' fees shall be determined at the normal hourly rates charged by the person doing the work, regardless of whether said fees bear a reasonable relationship to the relief obtained. A party which is not entitled to recover costs in any such suit shall not be entitled to recover its attorneys' fees.

16. Brokerage. Seller and Buyer represent and warrant each to the other that they have not dealt with any broker in connection with this transaction. Seller agrees to indemnify and save Buyer harmless from and against any and all claims, suits, liabilities, costs, judgments and expenses, including reasonable attorneys' fees, for brokerage commissions resulting from or arising out of Seller's actions in connection with the purchase and sale contemplated hereby. Buyer agrees to indemnify and save Seller harmless from and against any and all claims, suits, liabilities, costs, judgments and expenses, including reasonable attorneys' fees, for brokerage commissions resulting from or arising out of Buyer's actions in connection with the purchase and sale contemplated hereby.

17. Survival of Provisions. All covenants, representations, warranties, obligations, and agreements in this Agreement shall survive the execution and delivery of this Agreement and shall survive the Closing; provided, however, except as otherwise specifically provided herein, the parties waive their right to sue for any breach of a covenant, representation, warranty, obligation and/or agreement in this Agreement (a) which accrues more than one (1) year following the date on which the Closing occurs or (b) as to which written notice has not been given to the responsible party on or before the first anniversary of the date on which the Closing occurs.

18. Assignment of Buyer's Interest. Seller understands and agrees that Buyer may assign Buyer's right, title and interest in and to this Agreement at any time to any party without the consent of Seller. Therefore, the term "Buyer," as used herein, shall include Buyer's successors and assigns.

19. Reports and Studies. Seller agrees to deliver to Buyer not later than ten (10) days after the Effective Date copies of (i) all title information in the possession of or available to Seller, including, but not limited to, title insurance policies or binders, attorneys' opinions on title, boundary and physical surveys, copies of restrictive covenants, deeds, notes and deeds of trust, deeds to secure debt, mortgages and easements relating to the Property, (ii) copies of all environmental and geotechnical reports in the possession of or available to Seller, whether prepared by Seller of by a third party, and (iii) any and all other studies or reports, whether prepared by Seller or a third party, which relate to the physical condition or character of the Property.

20. Underground Utility Lines. Seller shall provide all information available to Seller necessary to enable the surveyor preparing the Survey to designate on the Survey the precise location(s) of all underground utility lines, including, without limitation, electrical transmission lines, telephone lines and natural gas lines, within the bounds of the Property.

21. Memorandum of Agreement. Seller agrees that, at the request of Buyer, Seller will promptly execute and deliver a Memorandum of Agreement in recordable form (in the form attached hereto as Exhibit F) sufficient to provide record notice of this Agreement, and Buyer shall be entitled to

record such Memorandum of Agreement in all land record offices where land records (e.g., conveyance and encumbrance instruments) relating to the Property are customarily recorded.

22. Notices. Any notices, requests, or other communications required or permitted to be given hereunder shall be in writing and shall be either (i) delivered by hand, (ii) mailed by United States registered mail, return receipt requested, postage prepaid, (iii) sent by a reputable, national overnight delivery service (e.g., Federal Express, Airborne, etc.) or (iv) sent by facsimile (with the original being sent by one of the other permitted means or by regular United States mail) and addressed to each party at the applicable address set forth herein. Any such notice, request, or other communication shall be considered given or delivered, as the case may be, on the date of hand delivery (if delivered by hand), on the third (3rd) day following deposit in the United States mail (if sent by United States registered mail), on the next business day following deposit with an overnight delivery service with instructions to deliver on the next day or on the next business day (if sent by overnight delivery service), or on the day sent by facsimile (if sent by facsimile, provided the original is sent by one of the other permitted means as provided in this Paragraph 22 or by regular United States mail). However, the time period within which a response to any notice or request must be given, if any, shall commence to run from the date of actual receipt of such notice, request, or other communication by the addressee thereof. Rejection or other refusal to accept or inability to deliver because of a changed address of which no notice was given shall be deemed to be receipt of the notice, request, or other communication. By giving at least ten (10) days prior written notice thereof, any party hereto may, from time to time and at any time, change its mailing address hereunder.

Seller: Coca-Cola Bottling Co. Consolidated
4100 Coca-Cola Plaza
Charlotte, North Carolina

Attention: Chief Financial Officer

Telephone: 704/551-4604
Facsimile: 704/551-4511

Buyer: Harrison Limited Partnership One
901 Tallan Building, Suite 901
Chattanooga, Tennessee 37402

Telephone: (423) 755-8881
Facsimile: (423) 756-3010

23. Lease of Additional Property. Prior to or contemporaneously with the Closing, Seller and Buyer shall execute and deliver a Lease Agreement (the "Lease") similar to that attached hereto and incorporated herein as Exhibit C, pursuant to which, following the Closing, Seller shall lease from Buyer the Property, together with the adjoining real property currently owned by Buyer (such additional property and the improvements thereon, together with the Property, is herein referred to as the "Project") in accordance with the terms and conditions contained therein. Said Lease shall commence immediately upon the Closing hereunder. In the event such Lease is not in full force and effect as of the date the Closing is to occur, the Closing shall be postponed for a period of time, not to exceed sixty (60) days. In the event Buyer and Seller have not entered into a mutually acceptable lease agreement relative to the entire Project by the expiration of such sixty (60) day period, Buyer and Seller shall each have the right to terminate this Agreement, at which time the Binder Deposit shall be refunded to Buyer and the parties hereto shall have no further rights or liabilities hereunder.

24. Seller's Construction Obligations. Following the Effective Date hereof, Seller shall proceed with completion of the construction of certain improvements (the "New Improvements") on the

Property in accordance with the plans and specifications previously agreed to by Buyer and Seller. At the Closing, Seller shall deliver the Property, with the New Improvements completed in lien free condition, to Buyer. In the event the New Improvements are not completed and in lien free condition on or prior to the Outside Date of Closing, Buyer shall have the right to extend the Outside Date of Closing for up to one hundred twenty (120) days to allow for the completion of the New Improvements. Currently, the total construction costs of the New Improvements (the "Construction Costs") are estimated to be Seven Million Eight Hundred Seventy-Two Thousand Six Hundred Forty-Three and No/100 Dollars ($7,872,643.00). Seller and Buyer hereby acknowledge that the actual Construction Costs will not be finalized until after the Closing. As soon as reasonably practical following completion of the New Improvements, Seller shall provide Buyer with reasonable evidence of the actual Construction Costs incurred by Seller. In the event the actual Construction Costs exceed $7,872,643.00, Buyer shall pay to Seller an amount equal to the difference between the two amounts. In the event the actual Construction Costs are less than $7,872,643.00, Seller shall refund to Buyer an amount equal to the difference between the two amounts. Any amounts to be paid by Seller or Buyer pursuant to this Paragraph 24 shall be paid within fifteen (15) days of the date Seller delivers written notice of the actual Construction Costs to Buyer. The obligations of this Paragraph 24 shall survive the Closing.

25. Miscellaneous.

(a) The term "Effective Date," as used in this Agreement, shall be deemed to refer to the date a fully executed original of this Agreement is delivered to each party hereto, and the Effective Date shall be inserted as the date of this Agreement in the introductory paragraph of this Agreement.

(b) This Agreement constitutes the entire agreement between the parties hereto with respect to the transaction contemplated herein; and it is understood and agreed that all undertakings, negotiations, representations, promises, inducements and agreements heretofore had between these parties are merged herein. This Agreement may not be changed orally, but only by an agreement in writing signed by both Buyer and Seller; and no waiver of any of the provisions in this Agreement shall be valid unless in writing and signed by the party against whom such waiver is sought to be enforced.

(c) The provisions of this Agreement shall inure to the benefit of, and shall be binding upon, the parties hereto and their respective heirs and permitted successors and assigns, as may be applicable.

(d) TIME IS OF THE ESSENCE in this Agreement with respect to the Outside Date of Closing. In addition, if the final day of any period of time set out in any provision of this Agreement, including, without limitation, the Outside Date of Closing and the Investigation Period, falls on a Saturday, Sunday or holiday recognized by Bank of America, N.A., or any successor thereto ("Bank of America"), in Charlotte, North Carolina, then in such case, such period shall be deemed extended to the next day which is not a Saturday, Sunday or holiday recognized by Bank of America in Charlotte, North Carolina.

(e) No presumption shall be created in favor of or against Seller or Buyer with respect to the interpretation of any term or provision of this Agreement due to the fact that this Agreement was prepared by or on behalf of one of said parties.

(f) Words of any gender used in this Agreement shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural and vice versa, unless the context requires otherwise.

(g) The captions used in connection with the paragraphs of this Agreement are for reference and convenience only and shall not be deemed to construe or limit the meaning of the language contained in this Agreement or be used in interpreting the terms and provisions of this Agreement.

(h) This Agreement may be executed in two or more counterparts and shall be deemed to have become effective when and only when one or more of such counterparts shall have been signed by or on behalf of each of the parties hereto (although it shall not be necessary that any single counterpart be signed by or on behalf of each of the parties hereto, and all such counterparts shall be deemed to constitute but one and the same instrument), and shall have been delivered by each of the parties to the other.

(i) When anything is described or referred to in this Agreement in general terms and one or more examples or components of what has been described or referred to generally is associated with that description (whether or not following the word "including"), the examples or components shall be deemed illustrative only and shall not be construed as limiting the generality of the description or reference in any way.

(j) If any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws, such provision shall be fully severable; this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part of this Agreement; and the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance from this Agreement. Furthermore, in lieu of such illegal, invalid or unenforceable provision, there shall be added automatically as a part of this Agreement a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.

(k) This Agreement is intended to be performed in the State in which the Property is located and shall be construed and enforced in accordance with the laws of said State.

(l) Each party hereto represents and warrants to the other party that the execution of this Agreement and any other documents required or necessary to be executed pursuant to the provisions hereof are valid, binding obligations and are enforceable in accordance with their terms.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed under seal by persons duly empowered to bind the parties to perform their respective obligations hereunder the day and year first above written.

SELLER:

HARRISON LIMITED PARTNERSHIP ONE

By: General Partner,
JFH Management, Inc.

By: /s J. Frank Harrison

Name: J. Frank Harrison
Title: President

By: Limited Partner,
Remainder Trust Under the Revocable
Agreement of Anne Lupton Carter

By: s/ Reid M. Henson

Name: Reid M. Henson
Title: Trustee

By: s/ J. Frank Harrison, III

Name: J. Frank Harrison, III
Title: Trustee

BUYER:

COCA-COLA BOTTLING CO. CONSOLIDATED

By: /s David V. Singer

Name: David V. Singer
Title: Vice President & CFO

LEASE AGREEMENT

ARTICLE 1. PARTIES

This Lease is made and entered into between HARRISON LIMITED PARTNERSHIP ONE, a North Carolina limited partnership, (the "Landlord") and COCA-COLA BOTTLING CO. CONSOLIDATED, a Delaware corporation (the "Tenant").

ARTICLE 2. LEASED PROPERTY

Section 2.01 Description of Leased Property.

Landlord, for and in consideration of the rents, covenants and agreements hereinafter set forth and agreed to be paid, kept and performed by Tenant, does hereby lease to Tenant, and Tenant hereby leases from the Landlord that certain real property located in Mecklenburg County, North Carolina, a description of which is attached hereto as Exhibit A (the "Land"), together with all improvements located thereon, including, without limitation, surrounding grounds, driveways, parking areas and related facilities, and including all appurtenances, rights, privileges, easements and advantages thereto belonging (the Land and the aforesaid improvements shall be referred to collectively herein as the "Leased Property").

Section 2.02 Landlord's Covenants of Title, Quiet Enjoyment.

Landlord covenants that it now has, or will have at the commencement of the Term (as defined hereinafter), title to the Leased Property and the right to make this Lease for the Term. Landlord further covenants and warrants that as long as Tenant is not in default under the terms of this Lease, Tenant shall have quiet, exclusive and peaceful possession of the Leased Property and shall enjoy all of the rights herein granted without interference. Tenant represents and warrants that it has made an independent investigation of the zoning of the Land and determined that the same is satisfactory for its purposes. Tenant further acknowledges that the improvements constructed on the

Land have been inspected by it and that it leases the same from Landlord in their "as is" condition without any representation or warranty, implied or otherwise, as to condition or the suitability thereof for Tenant's purposes. Tenant acknowledges and agrees that easement contained in Book 3648 at Page 436 in the Mecklenburg Public Registry provides for a waterline right-of-way which may be terminated by CSX Corp. at any time. Such termination shall not affect the obligations of Tenant hereunder.

ARTICLE 3. LEASE TERM

Section 3.01 Term - Lease Year.

The term of this Lease (the "Term") shall be for a period of ten (10) years, expiring at midnight on December 31, 2010.

Section 3.02 Commencement of Term.

The Term shall commence on December 15, 2000 or simultaneously with the date Landlord acquires title to all of the Leased Property (the "Commencement Date"). The entry or presence of Tenant on the Land prior to the Commencement Date, for the purpose of conducting its business shall not constitute commencement of the Term. Irrespective of such entry or presence, the Term and the payment of "Base Rent" and "LIBOR Rent" (as those terms are defined hereinafter) shall not begin until the Commencement Date.

ARTICLE 4. RENT

Section 4.01 Base Rent.

The annual base rent (the "Base Rent") for the initial twelve (12) month period of the Term shall be $3,964,148.00. Beginning with the first (1st) anniversary of the Commencement Date, and continuing with each subsequent anniversary of the Commencement Date, the Base Rent paid by

Tenant shall be increased by 2.5%. The new Base Rent shall be calculated by multiplying the Base Rent in effect during the immediately preceding twelve (12) month period of the Terms by 102.5%.

Section 4.02 LIBOR Rent.

In addition to the Base Rent payable by Tenant, Tenant shall pay an additional annual rent during the Term, which additional rent shall be based upon changes in LIBOR (as defined hereinafter) (the "LIBOR Rent") and shall be calculated as provided in this Section 4.02. The LIBOR Rent on the Commencement Date shall be zero. Thereafter, and for the duration of the Term, for each basis point change in LIBOR from 6.770%, the LIBOR Rent shall increase or decrease in the direction corresponding to the LIBOR change, by the amount of $2,710.00 per annum. Changes only will occur in increments of a full basis point (i.e., there will be no proration for changes of less than a full basis point).

"LIBOR" as used herein, shall mean the London Interbank Offered Rate as quoted in the Wall Street Journal and other readily available financial sources, for any of the normal time periods (30, 60, 90, or 180 days) for which such rates are made available to qualified borrowers and which shall be mutually agreed to by Landlord and Tenant.

Section 4.03 Payment of Rent.

Tenant shall pay the Base Rent in quarterly installments, in advance, and without demand on the first (1st) day of each and every quarter during the Term.

Section 4.04 Payment of LIBOR Rent.

Tenant shall pay the LIBOR Rent in quarterly installments in advance without demand on the first (1st) day of each and every quarter during the Term. Each installment of the LIBOR Rent shall be adjusted retroactively at the expiration of each quarter to reflect changes in LIBOR, as determined pursuant to Section 4.02 hereof, during such quarter. Upon such adjustment, Landlord

shall refund to Tenant or Tenant shall pay to Landlord, as appropriate, within ten (10) days of demand therefor, such sums as are necessary for Tenant to have paid the installment of the LIBOR Rent, as adjusted, which was owed by it for the preceding quarter.

Section 4.05 Late payment of Rent.

In the event any quarterly installment of Base Rent or LIBOR Rent is not received on the due date, such amount shall accrue interest at the rate of fifteen percent (15%) per annum (or the maximum interest rate allowed by law if less than 15%) and such interest shall be due and payable by Tenant to Landlord for the period of time said payment is delinquent as additional rent hereunder; provided that a default shall occur only as specified in Section 14.01 herein. The imposition of this charge shall not be deemed a waiver or be in lieu of Landlord's other rights hereunder.

ARTICLE 5. BUILDING OPERATIONAL EXPENSES AND TAXES

Section 5.01 Operational Expenses.

Tenant shall be responsible for all expenses and charges which, during the Term, shall be incurred in connection with the possession, occupation, operation, alteration, maintenance, repair and use of the Leased Property, and any other sums which, except for the execution and delivery of this Lease, would be chargeable against the Leased Property or the owner, occupant or possessor of the Leased Property.

Section 5.02 Taxes.

Tenant shall pay to the appropriate taxing authorities prior to delinquency, all real estate taxes and assessments of any nature whatsoever levied or assessed on the Leased Property during the Term and taxes, assessments and charges levied in lieu of such real estate taxes, charges and assessments and taxes levied on or with respect to rentals payable hereunder (other than income taxes on the

overall income of Landlord). Tenant shall, within ten (10) days after the required date of payment, furnish to Landlord copies of paid receipts for all such taxes, assessments and charges. Said taxes and assessments shall be prorated for any partial calendar year or tax period during the Term.

Section 5.03 Review of Taxes.

Tenant shall have the right to challenge, by legal proceedings instituted and conducted at Tenant's own expense, and free of expense to Landlord, any such taxes imposed upon or against the Land. Landlord shall join in any such proceedings and hereby agrees that any such proceeding may be brought in its name if the provisions of any law, rule or regulation shall so require. Tenant shall nevertheless pay and continue to pay, as the same becomes due and payable, such impositions under protest, and Tenant shall be entitled to any refund which is made of any such amounts. Landlord shall not, without Tenant's prior written approval, make or agree to any settlement, compromise or other disposition of any such proceedings, or discontinue or withdraw from any such proceedings or accept any refund so long as Tenant shall comply with the terms of this Lease, including specifically the requirement to pay rent.

ARTICLE 6. USE

Section 6.01 Use.

It is Tenant's intention to use or cause the Leased Property to be used for the purpose of operating a Coca-Cola Bottling Plant and related sales, storage and office facilities or such other lawful business as Tenant may from time to time deem advisable; provided, however, Tenant shall not conduct any business within the Leased Property which violates local, state or federal laws, rules or regulations.

Section 6.02 Tenant's Compliance With Law.

Tenant shall at all times during the Term comply with any and all laws, ordinances, rules or regulations of any governmental authority having jurisdiction over the Leased Property, including the making of any structural changes on or to the Leased Property in order to comply with any such law, regulation, requirement, or order.

ARTICLE 7. FIXTURES AND SIGNS

Section 7.01 Installation and Removal of Trade Fixtures.

Tenant may install in and affix to the Leased Property such fixtures, signs and equipment as Tenant deems desirable (subject to Tenant's obligations under Section 6.02 above). All such fixtures, signs and equipment shall remain the property of Tenant and may be removed at any time provided that Tenant, at its expense, shall repair any damage caused by reason of such removal. Tenant shall pay all taxes or other charges or fees levied or assessed against or as a result of such fixtures, signs and equipment.

Section 7.02 Tenant's Exclusive Right to Erect Signs.

Tenant shall have the exclusive right to erect and maintain upon the Leased Property all signs which lawfully may be placed thereon and which it deems appropriate to the conduct of its business. Landlord shall not place any signs or advertising matter of any nature upon any part of the Leased Property or permit others to do so.

Section 7.03 Landlord's Right to Erect Signs.

The provisions of Section 7.02 notwithstanding, Landlord shall have the right during the last one hundred eighty (180) days of the Term to advertise and post "For Rent/Lease or Sale" signs on the Leased Property. Tenant shall cooperate with Landlord in showing the Leased Property to prospective tenants or purchasers during normal business hours.

ARTICLE 8. REPAIRS, ALTERATIONS, RECONSTRUCTION

Section 8.01 Tenant to Maintain.

Subject to the provisions of Sections 8.04 and 8.05 below, Tenant shall, at its sole cost and expense, maintain the exterior, roof, parking areas, landscaping, interior, interior and exterior walls, plumbing, heating and air conditioning systems, structure, plate glass and all other components and parts of the Leased Property in good condition and repair throughout the Term.

Section 8.02 Exterior Areas - Maintenance.

Tenant shall maintain and clean the parking, landscaping and other exterior areas of the Leased Property, keeping the same in good condition and repair throughout the Term, and Tenant shall provide for lighting such areas at its sole cost and expense.

Section 8.03 Tenant's Right to Make Alterations or Additions.

Tenant may, at its own expense, make such nonstructural alterations, additions and changes to the Leased Property as it may deem necessary. Any structural alteration, addition, or change to the Leased Premises must be approved in writing by Landlord, which approval will not be unreasonably withheld, and shall become a part of the Leased Property and may not be removed upon termination of the Lease. Non-structural alterations, additions, or changes shall become a part of the Leased Property and upon the termination of this Lease, Tenant shall have the right and may be required by Landlord to remove the same. If Tenant removes any such alterations, additions or changes installed by Tenant, Tenant shall repair all damage to the Leased Property caused by such removal.

Section 8.04 Damage to Improvements - Repairs or Election to Terminate.

(a) Repairable Casualty. In the event the Leased Property shall be damaged by fire, earthquake, other elements or other casualty during the Term and Tenant does not elect to terminate

this Lease pursuant to Section 8.04(b) below, Tenant shall give prompt notice of such casualty to Landlord, and shall proceed with reasonable diligence to carry out any necessary demolition and to restore, repair, replace and rebuild such building and improvements at Tenant's own cost and expense. If any insurance proceeds shall have been paid by reason of such damage or destruction, Tenant shall be entitled to such proceeds in order to complete such repairs. If at any time Tenant shall fail or neglect to supply sufficient workmen or sufficient materials of proper quality, or fail in any other respect to prosecute such work of demolition, restoration, repair, replacement or rebuilding with diligence and promptness, then Landlord may give to Tenant written notice of such failure or neglect, and if such failure or neglect continues for more than sixty (60) days after such notice, then Landlord, in addition to all other rights which Landlord may have, may enter upon the Leased Property, provide labor and/or materials, cause the performance of any contract and/or do such other acts and things as Landlord may deem advisable to prosecute such work, in which event Landlord shall be entitled to reimbursement of its costs and expenses out of any insurance proceeds for application to the cost of such work. All costs and expenses incurred by Landlord in carrying out such work for which Landlord is not reimbursed out of insurance proceeds or other moneys shall be borne by Tenant and shall be payable by Tenant to Landlord as additional rent within ten (10) days of demand therefor, which demand may be made by Landlord from time to time as such costs and expenses are incurred, in addition to any or all damages to which Landlord shall be entitled hereunder.

Rent shall not abate hereunder by reason of any damage to or of the Leased Property and Tenant shall continue to perform and fulfill all of Tenant's obligations, covenants and agreements hereunder notwithstanding any such damage or destruction.

(b) Substantial Casualty. In the event the Leased Property shall be damaged by fire, earthquake, other elements or other casualty during the Term and the Board of Directors of Tenant shall reasonably determine in good faith that the Leased Property has been rendered unsuitable for continued use in Tenant's business and may not be restored on an economically feasible basis (a "Substantial Casualty"), Tenant shall give notice to Landlord (the "Notice") within six (6) months following such Substantial Casualty of its election to either (A) purchase the Leased Property from Landlord pursuant to Section 8.04(b)(i) or (B) convey to Landlord a Substitute Property (as defined below) pursuant to Section 8.04(b)(ii).

(i) Purchase of the Leased Property. If Tenant elects to purchase the Leased Property from Landlord following a Substantial Casualty, Tenant shall specify a purchase date which is a rental payment date not less than 120 nor more than 365 days after delivery of the Notice (the "Purchase Date"). On the Purchase Date, Landlord shall convey the Leased Property to Tenant free of all liens except liens created or consented to by Tenant or placed on the Leased Property in default of Tenant's obligations under this Lease and Tenant shall pay to an amount equal to the Purchase Price (as defined below) plus all Base Rent or LIBOR Rent accrued up to the Purchase Date, at which time this Lease shall terminate. For purposes of this section, the "Purchase Price" shall be the greater of (a) the fair market value of the Leased Property on the date immediately preceding the date the Substantial Casualty occurred, or (b) the sum of the outstanding principal balance of any existing loans in favor of Landlord which are secured, in whole or in part, by the Leased Property and all accrued but unpaid interest thereon, as of the Purchase Date. Any insurance

proceeds payable in connection with such casualty shall be payable to Tenant. Each party will pay its own expenses in connection with the purchase.

(ii) Substitution. If Tenant elects to deliver a Substitute Property to Landlord following a Substantial Casualty, Tenant shall convey to Landlord on the next rental payment date which occurs not less than 120 nor more than 365 days after the delivery of the Notice (the "Substitution Date"), in exchange for the Leased Property, a Substitute Property as defined below.

If, in substitution for the Leased Property, Tenant notifies Landlord that Tenant intends to convey to Landlord a fee simple interest in a land parcel and in the improvements thereon (the "Substitute Property"), Tenant shall, pursuant to the Notice, notify Landlord that Tenant will convey to Landlord, on or prior to the Substitution Date, the Substitute Property (v) which, when substituted for the Leased Property, will result in Landlord having a tax free exchange, (w) having a fair market value determined as if free of all encumbrances (as certified by an appraiser) not less than the greater of (i) the then fair market value of the Leased Property determined as if free of all encumbrances (as certified by an appraiser) and (ii) the certified costs incurred with respect to the Land acquisition, the construction of the Improvements, as defined in the Purchase and Sale Agreement made and entered into by and among Landlord and Tenant dated effective as of December 15, 2000 (the "Purchase and Sale Agreement"), and the related capitalized expenses with respect to the Leased Property, (x) the improvements of which are of the same type, used or useful for the same or substantially similar purposes and are in structure and construction similar to the Improvements and (y) which is subject to no liens or

encumbrances. Tenant shall deliver to Landlord an appraisal of the Leased Property and an appraisal of the Substitute Property made by an appraiser or appraisers selected by Tenant, subject to the approval of Landlord, which approval shall not be unreasonably withheld, and which appraisals shall be made at the expense of Tenant.

Tenant shall pay all rent and other sums then due and payable hereunder through and including the Substitution Date. Upon compliance with this Section 8.04(b)(ii), the Leased Property shall be conveyed to Tenant or its designee and thereupon this Lease shall terminate as to the Leased Property, except with respect to obligations and liabilities of Tenant hereunder, actual or contingent, which have arisen on or prior to the Substitution Date. Simultaneously with such conveyance, Landlord and Tenant shall enter into a lease of the Substitute Property, which lease shall be identical in all respects to this Lease (including the provisions hereof with respect to rent) except with respect to the Commencement Date thereof and any other changes required by the location and/or character of the Substitute Property. Tenant shall convey to Landlord a good and marketable fee simple interest in the Substitute Property and deliver to Landlord (A) an owner's policy of title insurance in favor of Landlord in form and amount satisfactory to Landlord and (B) a currently dated "as-built" survey in form and substance satisfactory to Landlord and (C) such other instruments as may be reasonably requested by Landlord. Tenant shall have obtained all necessary approvals, authorizations and consents of all governmental bodies (including courts) having jurisdiction with respect to the transactions. Each party shall pay its own expenses in connection with the substitution.

Section 8.05 Tenant's Repairs for Building and Occupancy Regulations.

If any governmental agency or any department or division thereof shall condemn the Leased Property or any part thereof as unsafe or as not in conformity with the laws and regulations relating to the use, occupation, and construction thereof (including, without limitation, the Americans with Disabilities Act, as amended), or shall order or require any rebuilding, alteration or repair, Tenant shall immediately at Tenant's own cost and expense (and without any right of reimbursement from Landlord) effect such alterations and repairs in the Leased Property as may be necessary to comply with such laws, regulations, orders, or requirements. All such alterations and repairs shall be made in accordance with the plans and specifications approved in writing by Landlord, which approval shall not be unreasonably withheld.

Section 8.06 Condition of Leased Property on Surrender.

At the termination of this Lease, Tenant shall surrender the Leased Property to Landlord in good condition and repair, subject only to the consequences and effect of reasonable wear and tear and permissible alteration, additions and changes under Section 8.03, condemnation, casualty and acts of God and the terms of Section 8.04 herein.

Section 8.07 Mechanic's Liens.

Tenant will pay for all work performed on the Leased Property by its employees or contractors and shall indemnify and hold Landlord harmless from all liability resulting from any lien or claim of lien arising out of such work. Tenant shall have the right, at its sole cost and expense, to contest the validity of any such lien or claimed lien. Landlord shall have the right to enter the Leased Property for the purpose of posting notices of nonliability for work performed at the direction of Tenant. Should a lien be filed against the Leased Property or any other action, affecting title thereto be commenced, the party first receiving notice thereof shall immediately give

written notice to the other party. Tenant shall promptly take all necessary action to cause the same to be discharged or removed.

ARTICLE 9. CONDEMNATION

Section 9.01 Condemnation.

(a) Repairable Condemnation. In the event of a condemnation of the Land or the Improvements to the Land after which Tenant does not elect to terminate this Lease pursuant to Section 9.01(b) below, Tenant shall promptly commence and diligently complete such repair, reconstruction and restoration to a use similar to, and fair market value not less than, what existed prior to the condemnation; provided, however, if the net condemnation award exceeds the cost of repair, Landlord may retain such excess, and the fair market value of the Premises after such repair shall not be less than the fair market value of the Premises prior to the taking, reduced by any award so retained by Landlord. If Landlord retains any excess award, the purchase price payable by Tenant in the event of a purchase of the Premises pursuant to Article 8, 9, or 12 shall be reduced by an amount equal to the amount so retained by Landlord. All condemnation proceeds shall be made available to Tenant to complete such repairs. This Lease shall continue in full force and effect, and Base Rent and LIBOR Rent shall not be abated as a result of such taking.

(b) Substantial Condemnation. In the event of a taking of all or any portion of the Leased Property under the power of eminent domain in a bona fide transaction by any public or quasi public authority which, in the good faith opinion of Tenant's Board of Directors, renders the Leased Property unsuitable for continued use in Tenant's trade or business (a "Substantial Condemnation"), Tenant shall, within eighteen (18) months following such Substantial Condemnation, either (A) purchase the Leased Property from Landlord under the procedures set forth in Section 8.04(b)(i) (relating to a purchase of the Leased Property following a Substantial

Casualty) or (B) convey to Landlord a Substitute Property under the Procedures set forth in Section 8.04(b)(ii) (relating to substitution following a Substantial Casualty).

Section 9.02 Notice of Condemnation.

Landlord shall, immediately after it receives notice of the intention of any such authority to appropriate or take all or any portion of the Leased Property, give to Tenant notice in writing of such intended appropriation or taking.

Section 9.03 Voluntary Sale as Taking.

A voluntary sale by Landlord to any public body or agency having the power of eminent domain, either under threat of condemnation or while condemnation proceedings are pending, shall be deemed to be taking under the power of eminent domain for the purposes of this Article 9.

ARTICLE 10. INDEMNITY AND INSURANCE

Section 10.01 Indemnification of Landlord by Tenant.

Landlord shall not be liable for any damage or liability of any kind or for any damage or injury to persons or property during the Term from any cause whatsoever by reason of the use, occupation, and enjoyment of the Leased Property by Tenant or any person thereon or holding under Tenant. Tenant will indemnify and hold harmless Landlord from all liability on account of any such damage or injury and from all liens, claims and demands arising out of the use of any improvement upon the Leased Property and its facilities or any repairs, construction or alterations which Tenant may make upon the Leased Property. However, nothing in this Lease shall impose liability on Tenant for damage or injury occasioned by failure of Landlord to comply with its obligations hereunder or by reason of the negligence of Landlord, its agents, servants or employees.

Section 10.02 Indemnification of Tenant by Landlord.

Tenant shall not be liable for damage or injury to persons or property directly caused by agents or employees of Landlord. Landlord will indemnify and save harmless Tenant from all such liability whatsoever, on account of such damage or injury to the extent that the insurance provided in Section 10.03 hereof does not fully insure against such damage or injury. This provision shall not be deemed to invalidate any insurance coverage provided for under the provision of Section 10.03 hereof or to entitle any insurance carrier thereunder to any right of subrogation against Landlord.

Section 10.03 Tenant's Insurance.

Tenant shall carry and maintain, during the Term, at Tenant's sole cost and expense, the following types of insurance, naming Landlord and Landlord's lender or mortgagee as an additional insured in each case, in the amounts specified and in the form hereinafter provided:

(a) Liability Insurance. Broad form comprehensive general liability insurance with limits of not less than Thirty-Six Million Dollars ($36,000,000.00) for each occurrence for bodily injury (including death) and property damage, insuring against liability of Tenant with respect to the Leased Property or arising out of the maintenance, use or occupancy thereof.

(b) Fire Insurance-Tenant. A policy or policies of fire insurance with a standard form extended coverage endorsement, to the extent of at least 100% of the replacement cost of Tenant's improvements, fixtures, equipment and merchandise, which may from time to time be located in or on the Leased Property, and any trade fixtures and equipment of others which are in the Tenant's possession and which are located within the Leased Property. Landlord shall have no interest in the insurance on Tenant's improvements, merchandise, equipment or fixtures and will sign all documents necessary or proper in connection with the settlement of any claim or loss by Tenant; provided, however, Tenant shall maintain such replacement cost insurance on all items of Personal

Property and shall name Landlord or Landlord's lender or mortgagee as the insured with all proceeds payable to Landlord or its lender or mortgagee as their interest may appear. Landlord shall replace any such Personal Property which is covered by insurance proceeds paid to Landlord with items of like kind selected by Tenant to the extent of such insurance proceeds. No abatement in rent shall be made nor the Lease cancelled in the event of damage or destruction of Personal Property.

(c) Fire Insurance for Improvements. A policy of fire insurance with standard form extended coverage endorsement to the extent of full replacement value of the improvements located on the Land to be adjusted annually to reflect changes in full replacement value. The proceeds of such insurance policies shall be payable to Landlord and shall be used by Landlord as herein provided. Such insurance policies shall contain a standard mortgagee "loss payable" clause in favor of Landlord's lender or mortgagee as may be required by such lender or mortgagee and shall further provide that the same may not be cancelled, except upon thirty (30) days' prior written notice to such lender or mortgagee and to Landlord. Tenant will sign all documents necessary or proper in connection with the settlement of any claim or loss under this Section 10.03 (c) by Landlord.

(d) Business Interruption Insurance. Business interruption insurance in an amount equal to twelve (12) months' Base Rent and LIBOR Rent as Base Rent and LIBOR Rent are adjusted hereunder.

Section 10.04 Method of Coverage.

Tenant's obligations to insure under this Article 10 may be provided by appropriate amendment, rider or endorsement on any blanket policy or policies carried by Tenant. Tenant shall provide Landlord with the originals of all such policies or certified copies thereof.

Section 10.05 Policy Requirements.

All policies of property insurance to be provided by Landlord or Tenant shall be issued by companies qualified to do business in the State of North Carolina, rated at least A by A.M. Best Co. and approved by Landlord and Landlord's lender or mortgagee, and with regard to fire insurance policies, shall be issued in the names of Tenant and Landlord as their interest may appear. With respect to each policy of insurance and each renewal thereof required pursuant to this Article 10, both parties, at the beginning of the Term and thereafter not less than thirty (30) days prior to the expiration of any such policy, shall furnish each other with certificates of insurance for such coverage. If any lender reasonably requests additional or substituted coverage, Landlord and Tenant mutually agree to cooperate to satisfy the reasonable demands of such lender.

Section 10.06 Mutual Waiver Of Subrogation.

For the purpose of waiver of subrogation, the parties mutually release and waive unto the other all rights to claim damages, costs or expenses for any injury to persons (including death) or property caused by a casualty of any type whatsoever in, on or about the Lease Property if the amount of such damage, cost or expense has been paid to such damaged party under the terms of any policy of insurance. All insurance policies carried with respect to this Lease, if permitted under applicable law, shall contain a provision whereby the insurer waives, prior to loss, all rights of subrogation against either Landlord or Tenant.

ARTICLE 11. ASSIGNMENT AND SUBLETTING PERMITTED

Tenant may not assign this Lease nor sublet all or any part of the Leased Property without the prior written consent of the Landlord, which consent shall not be unreasonably withheld. Tenant shall notify Landlord in writing of the terms of any proposed assignment or subletting, the name and address of the proposed assignee or sublessee, and, in the case of a sublease, the area proposed to be

sublet. Landlord shall notify Tenant within ninety (90) days of Tenant's giving such notice that it consents or that it withholds its consent to Tenant's proposal. Failure of Landlord to give Tenant such notice within such ninety (90) day period shall be deemed a waiver of Landlord's right to withhold its consent to Tenant's proposed assignment or sublease. Any such permitted assignment and subletting shall be subject to and governed by the terms of this Lease, and Tenant shall remain liable for the full performance of all conditions of this Lease and the payment of all rents hereunder.

ARTICLE 12. TENANT'S RIGHT OF FIRST REFUSAL

For and in consideration of the sum of Ten and No/100 ($10.00) Dollars and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and in addition to its rights to purchase the Leased Property as provided in Articles 8 and 9, Landlord agrees not to sell, transfer, pledge, encumber or otherwise convey any interest in the Leased Property without first notifying Tenant and providing Tenant with the right of first refusal to which it is entitled as herein provided for.

(a) Notice. In the event there should exist a bona fide offer for the purchase of the Leased Property, Landlord, prior to the acceptance of such offer and the consummation of any sale thereof, shall notify Tenant in writing of such offer and shall offer to Tenant the opportunity to purchase the Leased Property upon the same terms and conditions as is contained in the bona fide offer. Tenant shall have ten (10) days from the date of receipt of such written notice within which to notify Landlord of its desire to exercise its right of first refusal, and any sale resulting therefrom shall be closed thereafter as soon as practicable. In the event Tenant should fail to notify Landlord of its desire to exercise its right of first refusal within the time allowed herein or fail to consummate the purchase within a reasonable time thereafter, then Landlord shall be free to sell the Leased Property pursuant to the bona fide offer, within a period of one hundred twenty (120) days

thereafter. An offer shall not be deemed a bona fide offer unless it is made in good faith, in writing and by a person or corporation financially able to consummate the transaction. Any material change in the economic terms or conditions of a bona fide offer shall necessitate a further notice and the granting of a further right of first refusal to Tenant.

(b) Specific Performance. Landlord and Tenant hereby expressly acknowledge that any breach of this agreement concerning Tenant's right of first refusal will result in irreparable injury to Tenant, and that therefore Tenant shall be entitled to obtain the specific performance of said agreement and a restraining order or injunction prohibiting Landlord from violating said agreement as an appropriate remedy in a court of proper jurisdiction. This right shall not preclude Tenant from obtaining any other appropriate relief to which it may be entitled, including all costs and reasonable attorneys fees incurred in enforcing said agreement.

ARTICLE 13. DEFAULT AND REMEDIES

Section 13.01 Default by Tenant--Termination After Notice--Opportunity to Remedy.

Should (i) default be made by Tenant in the payment of any portion of the rent, taxes or other charges when due and should such default continue for more than fourteen (14) days after written notice to Tenant from the obligee of such charge or from Landlord specifying such default, or (ii) Tenant fail to keep the required insurance coverage in full force and effect at all times, or (iii) default be made, and continue for more than thirty (30) days after written notice from Landlord specifying such default in the performance of any of the other covenants on the part of Tenant to be kept or performed, then, and only in such event, Landlord may at Landlord's option terminate Tenant's right to possession of the Leased Property by written notice to Tenant and shall have the immediate right of reentry to remove all persons and property from same and dispose of or store such property as it deems fit, and in addition or in the alternative to take such other action or pursue

such other remedies and recover such damages as may be permitted under the laws of the State of North Carolina; provided, however, that no such termination shall be effected or action taken or remedy pursued until the expiration of such additional period, if any, as may be reasonably necessary to remedy a default involving other than the payment of money, if it is of such character as to require more than thirty (30) days to remedy and Tenant proceeds promptly and diligently to cure and correct the same within a reasonable time period and, further provided that the period for curing any default shall not be extended so as to jeopardize the interest of Landlord in the Leased Property or subject Landlord to civil or criminal liability.

Section 13.02 Landlord's Default After Notice and Opportunity to Remedy.

Should default be made by Landlord, and continue for more than thirty (30) days after written notice from Tenant to Landlord, in transferring the Leased Property to Tenant or in allowing a substitution of property pursuant to Articles 8 or 9 hereof, Tenant may at Tenant's option terminate this Lease forthwith by written notice to Landlord.

Section 13.03 Right to Remedy Default.

Each party shall have the right after ten (10) days' written notice to the other (but shall not be obligated) to correct or remedy any default upon the part of the other, not cured within the notice period, under any provision of this Lease, and both parties agree that, if a party shall correct or remedy any such default, the other party shall pay to the performing party the cost of correction upon demand, provided such notice shall not be required in the event of the failure of Tenant to maintain the required insurance or pay taxes as herein required.

Section 13.04 Termination for Tenant's Bankruptcy or Insolvency.

Tenant agrees that in the event all or substantially all of its assets are placed in the hands of a receiver or trustee, and such receivership or trusteeship continues for a period of sixty (60) days, or

should Tenant make an assignment for the benefit of creditors or be adjudicated a bankrupt, or should Tenant institute any proceedings under the Bankruptcy Act, as the same now exists or under any amendment thereof, which may hereafter be enacted, or under any other act relating to the subject of bankruptcy wherein Tenant seeks to be adjudicated a bankrupt, or seeks to be discharged of its debts, or to effect a plan of liquidation, or should any involuntary proceeding be filed against Tenant under any such bankruptcy laws and Tenant consents thereto or acquiesces therein by pleading or default, then this Lease or any interest in and to the Leased Property shall not become an asset in any of such proceedings and all rent payable by Tenant to Landlord for the remainder of the Term shall immediately become due and payable by Tenant to Landlord without notice of default of any kind, which notice is hereby expressly waived by Tenant. Such rent for the remainder of the Term shall be calculated by using the Base Rent and LIBOR Rent in effect at the time of Tenant's default and discounting it to present value at the time of default by applying the judgment rate then in effect. Landlord and Tenant agree that due to the difficulty of measuring Landlord's damages in such event, such future rent shall constitute liquidated damages which shall compensate Landlord for Tenant's default. In any such event, and in addition to any and all rights or remedies of Landlord hereunder or by law provided, it shall be lawful for Landlord at its option to declare the Term ended and to re-enter the Leased Property and take possession thereof and to remove all persons therefrom, and Tenant shall have no further claim thereon or hereunder.

ARTICLE 14. SUBORDINATION AND MORTGAGEE.

Section 14.01 Subordination of Lease to Future Liens.

Tenant hereby subjects and subordinates all or any of its rights under this Lease to any and all mortgages and deeds of trust now existing or placed on the Land or the Leased Property in the future; provided, however, that the applicable mortgagee stipulates that Tenant will not be disturbed

in the quiet and peaceful use and enjoyment of the Leased Property so long as Tenant is not in default hereunder and Tenant's options and rights to purchase as herein set forth shall not be affected by any action taken under or pursuant to such deed of trust, provided Tenant is not in default hereunder. Landlord and Tenant agree that this Lease shall remain in full force and effect notwithstanding any default or foreclosure under any such mortgage or deed of trust, and that Tenant will attorn to the mortgagee, trustee or beneficiary of such mortgage or deed of trust and their successors or assigns, or the purchaser or assignee under any such foreclosure. Tenant will, upon request by Landlord, execute and deliver to Landlord, or to any other person designated by Landlord, any instrument or instruments required to give effect to the provisions of this Article 14, so long as Landlord first obtains from any lender connected with such request a written agreement providing: "As long as Tenant performs its obligations under this Lease, no foreclosure of, deed given in lieu of foreclosure of, or sale under the encumbrance, and no steps or procedures taken under the encumbrance, shall affect Tenant's rights under this Lease."

Section 14.02 Notice to Mortgagee and Right to Cure Landlord's Default.

If the Leased Property or any part thereof is at any time subject to a first deed of trust and if Tenant is given notice thereof, including the post office address of the beneficiary in such deed of trust, then notwithstanding any other provision of this Lease to the contrary, Tenant shall not terminate this Lease for any default on the part of Landlord without first giving written notice to such beneficiary specifying the default in reasonable detail, and affording such beneficiary a reasonable time thereafter (but not less than sixty (60) days) to cure such default, including, if necessary, the time needed to foreclose said deed of trust, acquire title to the Leased Property and then cure such default; provided, however, any monetary default of Landlord must be cured during

such period of time as is necessary to foreclose the property and further provided that such foreclosure is pursued diligently during such period.

Section 14.03 Tenant's Consent to Changes in Lease.

If, in connection with obtaining financing for the Leased Property, a banking, insurance or other recognized institutional lender shall request reasonable modifications in this Lease as a condition to such financing, Tenant will not unreasonably withhold, delay or defer its consent thereto, provided that such modification does not increase the obligations of Tenant hereunder or adversely affect the leasehold interest hereby created or Tenant's use and enjoyment of the Leased Property.

ARTICLE 15. GENERAL PROVISIONS.

Section 15.01 No Waiver of Breach.

No failure by either Landlord or Tenant to insist upon the strict performance by the other of any covenant, agreement, term or condition of this Lease or to exercise any right or remedy consequent upon a breach thereof, shall constitute a waiver of any such breach or of such covenant, agreement, term or condition. No waiver of any breach shall affect or alter this Lease, but each and every covenant, condition, agreement and term of this Lease shall continue in full force and effect with respect to any other then existing or subsequent breach.

Section 15.02 Time of Essence.

Time is of the essence with respect to the provisions contained in this Lease and each provision thereof.

Section 15.03 Computation of Time.

The time in which any act provided by this Lease is to be done is computed by excluding the first day and including the last, unless the last day is a Saturday, Sunday, or holiday, and then it is also excluded.

Section 15.04 Unavoidable Delay-Force Majeure.

If either party shall be delayed or prevented from the performance of any act required by this Lease by reason of act of God, strikes, lockouts, labor troubles, inability to procure materials, restrictive governmental laws or regulations or other cause, without fault and beyond the reasonable control of the party obligated (financial inability excepted), performance of such act shall be excused for the period of the delay; and the period of the performance of any such act shall be extended for a period equivalent to the period of such delay; provided, however, nothing in this Section 15.04 shall excuse Tenant from the prompt payment of any rental or other charge required of Tenant.

Section 15.05 Successor in Interest.

Landlord shall not assign, transfer, or otherwise dispose of its interest in the Leased Property or this Lease without first providing Tenant with the right of first refusal to which it is entitled as provided in Article 12 hereof and, in the event Tenant declines to exercise such right, without the written agreement of the assignee, transferee or recipient of Landlord's interest that it covenants and agrees to assume all the liabilities and obligations of the "Landlord" under this Lease. In the event of such valid assignment, Landlord shall be entirely freed and relieved of all liabilities and obligations of the Landlord under this Lease which accrue from or after the date of such sale. Notwithstanding anything to the contrary contained in this Lease, it is specifically understood and agreed that the liability of Landlord hereunder shall be limited to the equity of

Landlord in the Land in the event of a breach by Landlord of any of the terms, covenants and conditions of, this Lease to be performed by Landlord. In furtherance of the foregoing, Tenant hereby agrees that any judgment it may obtain against Landlord as a result of a breach of any of the terms, covenants or conditions hereof by Landlord shall be enforceable solely against the Landlord's fee simple interest in the Land.

Section 15.06 Entire Agreement.

This Lease and the Purchase and Sale Agreement contain the entire agreement of the parties with respect to the matters covered by this Lease. No other agreement, statement or promise made by any party, or to any employee, officer or agent of any party, which is not contained in these documents shall be binding or valid.

Section 15.07 Partial Invalidity.

If any covenant, condition or provision of this Lease is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

Section 15.08 Relationship of Parties.

Nothing contained in this Lease shall be deemed or construed by the parties or by any third person to create the relationship of principal and agent or of partnership or of joint venture or of any association between Landlord and Tenant. Neither the method of computation of rent nor any other provisions contained in this Lease nor any acts of the parties in connection with this Lease shall be deemed to create any relationship between Landlord and Tenant, other than the relationship of Landlord and Tenant.

Section 15.09 Interpretation and Definitions.

The language in all parts of this Lease shall in all cases be simply construed according to its fair meaning and not strictly for or against Landlord or Tenant. Unless otherwise provided in this Lease, or unless the context otherwise requires, the following definitions and rules of construction shall apply to this Lease.

(a) Number and Gender. In this Lease the neuter gender includes the feminine and masculine, and the singular number includes the plural, and the word "person" includes corporation, partnership, firm or association wherever the context so requires.

(b) Mandatory and Permissive. "Shall," "will," and "agrees" are mandatory; "may" is permissive.

(c) Captions. Captions of the articles, sections, and paragraphs of this Lease are for convenience and reference only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Lease.

(d) Parties. Parties shall include the Landlord and Tenant.

(e) Sublessee. As used herein, the word "sublessee" shall mean and include in addition to a sublease and subtenant, a licensee, concessionaire, or other occupant or user of any portion of the Leased Property.

Section 15.10 Interest.

Any sum accruing to Landlord or Tenant under the provisions of this Lease which shall not be paid when due shall bear interest at the rate of fifteen percent (15%) per annum.

Section 15.11 Modification.

This Lease is not subject to modification except in writing.

Section 15.12 Delivery of Rent and Notices - Method and Time.

(a) All notices, demands or requests from one party to another may be personally delivered or sent by mail, certified or registered, postage prepaid, to the addresses stated in this Section 15.12 or sent by facsimile transmission to the telephone numbers stated in this Section 15.12, and shall be deemed to have been given at the time of personal delivery, at the end of the third (3rd) full day following the date of mailing or at the time same is transmitted by facsimile, provided it is also sent via one of the other means.

(b) All rents and other sums payable by Tenant to Landlord shall be by check payable to "Harrison Limited Partnership One" delivered in person or mailed to Landlord at 901 Tallan Building, Suite 901, Chattanooga, Tennessee 37402, or by wire transfer per instructions delivered by Landlord, from time to time.

(c) All notices, demands, or requests from Tenant to Landlord shall be given to Landlord at 901 Tallan Building, Suite 901, Chattanooga, Tennessee 37402 or, if by facsimile transmission, to 423/756-3010.

(d) All notices, demands, or requests from Landlord to Tenant shall be given to Tenant at Coca-Cola Bottling Co. Consolidated, 4100 Coca-Cola Plaza, Charlotte, North Carolina 28211, Attention: Chief Financial Officer or, if by facsimile transmission, to (704) 551-4451 Attention: Chief Financial Officer.

(e) Each party shall have the right, from time to time, to designate a different address by notice given in conformity with the provisions of this Section 15.12.

Section 15.13 Broker's Commission.

Each of the parties represents and warrants to the other that there are no claims for broker's commissions or finders' fees payable in connection with the execution of this Lease. Each party

agrees to indemnify and save harmless the other party from any claim for a brokerage commission or finder's fee arising as a result of claims made as a result of the actions of the indemnifying party.

Section 15.14 Landlord's Right to Inspect.

Landlord shall be entitled, at all reasonable times, to go on the Leased Property for the purpose of inspecting the Leased Property, or for the purpose of inspecting the performance by Tenant of the terms and conditions of this Lease, or for the purpose of posting and keeping posted thereon notices of non-responsibility for any construction, alteration or repair thereof, as required or permitted by any law or ordinance.

Section 15.15 Estoppel Certificate.

Tenant shall, upon demand of Landlord, execute, acknowledge and deliver to Landlord an estoppel certificate(s) showing whether the Lease is in full force and effect and whether any changes may have been made to the original Lease; whether the Term has commenced and full rental is accruing; whether possession has been assumed and all improvements to be provided by Landlord have been completed; whether rent has been paid more than thirty (30) days in advance; whether there are any liens, charges, or offsets against rental due or to become due; whether the address shown on such estoppel certificate(s) is accurate and such other information as may be reasonably requested.

Section 15.16 Termination of Existing Lease.

Effective as of 11:59 p.m. on the day immediately preceding the Commencement Date, that certain Lease Agreement (the "Existing Lease") by and between Landlord and Tenant, dated November 30, 1992 relating to a portion of the Leased Property, shall terminate and be of no further force or effect. Provided, however, in the event this Lease becomes null and void for any reason prior to the Commencement Date, the Existing Lease shall not be terminated and shall

remain enforceable in accordance with its terms to the same extent and effect as if this Lease had never been executed and delivered in the first instance.

ARTICLE 16. EXECUTION, RECORDING AND INCORPORATION BY REFERENCE.

Section 16.01 Recording.

The parties shall, after the execution of this Lease, execute, acknowledge and record a Memorandum of Lease reasonably acceptable to Landlord and Tenant. Following recording, the Memorandum shall be attached to this Lease.

Section 16.02 Exhibits.

Exhibit A and Exhibit B are attached and made a part of this Lease. This Lease has been executed by the parties as of the 15th day of December, 2000.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Lease effective as of the date first written above.

LANDLORD:

HARRISON LIMITED PARTNERSHIP ONE

By: General Partner,
JFH Management, Inc.

By: s/ J. Frank Harrison

Name: J. Frank Harrison
Title: President

By: Limited Partner,
Remainder Trust Under the Revocable
Agreement of Anne Lupton Carter

By: s/ Reid M. Henson

Name: Reid M. Henson
Title: Trustee

By: s/ J. Frank Harrison, III

Name: J. Frank Harrison, III
Title: Trustee

TENANT:

COCA-COLA BOTTLING CO. CONSOLIDATED

By: s/ David V. Singer

Name: David V. Singer
Title: Vice President & CFO

FIRST AMENDMENT TO MANAGEMENT AGREEMENT

This First Amendment (this "Amendment") to the Management Agreement (the "Management Agreement"), dated as of July 2nd, 1993, among Coca-Cola Bottling Co. Consolidated, a Delaware corporation ("Manager"), Carolina Coca-Cola Bottling Partnership (now known as Piedmont Coca-Cola Bottling Partnership), a Delaware general partnership ("Piedmont Partnership"), CCBC of Wilmington, Inc. ("Wilmington") (Piedmont Partnership and Wilmington are sometimes jointly and severally referred to herein as the "Partnership"), a Delaware corporation wholly owned by Piedmont Partnership, Piedmont Partnership Holding Company (successor in interest to Carolina Coca-Cola Bottling Investments, Inc.) ("KO Sub"), a Delaware corporation wholly owned by The Coca-Cola Company, and Coca-Cola Ventures, Inc. (successor in interest to Palmetto Bottling Company) ("Ventures"), a Delaware corporation wholly owned by Manager (KO Sub and Ventures are herein collectively referred to as "Partners" and sometimes referred to individually as "Partner"), is entered into effective as of January 1, 2001.

Statement of Purpose

The parties hereto are all of the parties to the Management Agreement. Capitalized terms not defined herein shall have the meaning assigned thereto in the Management Agreement. Pursuant to Section 15.05 of the Management Agreement and in consideration of the mutual promises contained herein, the parties hereto amend the Management Agreement as follows:

Section 1. Name Change of Piedmont Coca-Cola Bottling Partnership. All references to CCCB Partnership in the Management Agreement are hereby amended to read Piedmont Partnership.

Section 2. Management Fee Change. Section 5.01 of the Management Agreement is hereby amended and restated in its entirety to read as follows:

> 5.01 Management Fee. In consideration for the services to be provided by Manager pursuant to this Agreement, the Partnership shall pay to Manager a management services fee equal to 29(cent) per 8 oz. equivalent case (i.e., 192 ounces/case) of bottles, cans and pre-mix ("Equivalent Case") sold by the Partnership in the Territory on or after January 1, 2001 (the "Management Fee"). The Management Fee may be increased from time to time by the unanimous vote of the Executive Committee of Piedmont Partnership.

Section 3. No Other Effect. Except as expressly provided above, the Management Agreement shall remain in full force and effect, without amendment.

IN WITNESS WHEREOF, each of the parties has caused this Amendment to be executed on its behalf by its duly authorized representative effective as of the date first written above.

Coca-Cola Bottling Co. Consolidated

By: /s/ David V. Singer

Name: David V. Singer

Title: Executive Vice President & CFO

Piedmont Coca-Cola Bottling Partnership

By: Coca-Cola Bottling Co. Consolidated, Manager

By: /s/ David V. Singer

Name: David V. Singer

Title: Executive Vice President & CFO

CCBC of Wilmington, Inc.

By: /s/ Umesh Kasbekar

Name: Umesh Kasbekar

Title: Vice President

Piedmont Partnership Holding Company

By: /s/ Lawrence R. Cowart

Name: Lawrence R. Cowart

Title: Consultant

Coca-Cola Ventures, Inc.

By: /s/ Umesh Kasbekar

Name: Umesh Kasbekar

Title: Vice President

IN WITNESS WHEREOF, each of the parties has caused this Amendment to be executed on its behalf by its duly authorized representative effective as of the date first written above.

Coca-Cola Bottling Co. Consolidated

By: /s/ David V. Singer

Name: David V. Singer

Title: Executive Vice President & CFO

Piedmont Coca-Cola Bottling Partnership

By: Coca-Cola Bottling Co. Consolidated,
Manager

By: /s/ David V. Singer

Name: David V. Singer

Title: Executive Vice President & CFO

CCBC of Wilmington, Inc.

By: /s/ Umesh Kasbekar

Name: Umesh Kasbekar

Title: Vice President

Piedmont Partnership Holding Company

By: /s/ Juan Johnson

Name: Juan Johnson

Title: Vice President

Coca-Cola Ventures, Inc.

By: /s/ Umesh Kasbekar

Name: Umesh Kasbekar

Title: Vice President

COCA-COLA BOTTLING CO. CONSOLIDATED
ANNUAL BONUS PLAN - 2001

PURPOSE

The purpose of this Annual Bonus Plan (the "Plan") is to promote the best interests of the Company and its Shareholders by providing key management employees with additional incentives to assist the Company in meeting and exceeding its business goals.

PLAN ADMINISTRATION

The Plan will be administered by the Compensation Committee as elected by the Board of Directors; provided that, so long as the Company and the Plan are subject to the provisions of Section 162(m) of the Internal Revenue Code of 1986, as amended ("Section 162(m)"), either the Compensation Committee shall be composed solely of two or more directors who qualify as "outside directors" under Section 162(m) or, if for any reason one or more members of the Compensation Committee cannot qualify as "outside directors," the Board shall appoint a separate Bonus Plan Committee composed of two or more "outside directors" which shall have all of the powers otherwise granted to the Compensation Committee to administer the Plan. All references herein to the "Committee" shall be deemed to refer to either the Compensation Committee or to the Bonus Plan Committee, as applicable at any given time. The Committee is authorized to establish new guidelines for administration of the Plan, delegate certain tasks to management, make determinations and interpretations under the Plan, and to make awards pursuant to the Plan; provided, however, that the Committee shall at all times be required to exercise these discretionary powers in a manner, and subject to such limitations, as will permit all payments under the Plan to "covered employees" (as defined in Section 162(m)) to continue to qualify as "performance-based compensation" for purposes of Section 162(m), and any action

taken by the Committee shall automatically be deemed null and void to the extent (if any) that it would have the effect of destroying such qualification. Subject to the foregoing, all determinations and interpretations of the Committee will be binding upon the Company and each participant.

PLAN GUIDELINES

Eligibility: The Committee is authorized to grant cash awards to any officer, including officers who are directors and to other employees of the Company and its affiliates in key positions.

Participation: Management will recommend annually key positions which should qualify for awards under the Plan. The Committee has full and final authority in its discretion to select the key positions eligible for awards. Management will inform individuals in selected key positions of their participation in the Plan.

Qualification and Amount of Award:

1. Participants will qualify for awards under the Plan based on:
   (a) Corporate goals set for the fiscal year.
   (b) Division/Manufacturing Center goals or individual goals set for the fiscal year.
   (c) The Committee may, in its sole discretion, eliminate any individual award, or reduce (but not increase) the amount of compensation payable with respect to any individual award.

2. The total cash award to the participant will be computed as follows: Gross Cash Award = Base Salary X Approved Bonus % Factor X Indexed Performance Factor X Overall Goal Achievement Factor.

   Notwithstanding the above formula, the maximum cash award that may be made to any individual participant based upon performance for any fiscal year period shall be $1,000,000.

3. The Base Salary is the participant's base salary level set for the fiscal year. The Approved Bonus % Factor is a number set by the Committee (maximum = 100%) to reflect each participant's relative responsibility and the contribution to Company performance attributed to each participant's position with the Company.

4. The Indexed Performance Factor is determined by the Committee prior to making payments of awards for each fiscal year, based on each individual's performance during such fiscal year. Since the Committee is necessarily required to evaluate subjective factors related to each individual's performance in order to arrive at this number, and since such evaluations cannot be made until after the close of the fiscal year to which the award relates, the Indexed Performance Factor will automatically be set at 1.2 for all participants who are "covered employees" (as defined in Section 162(m)), in order to allow awards to such participants to qualify as "performance-based compensation" that is not subject to the deduction limits of Section 162(m).

5. The Overall Goal Achievement Factor used in calculating the Gross Cash Award for each participant will be determined on the basis of multiplying the weightage factor specified in ANNEX A attached hereto for each of the six performance criteria specified therein (Operating Cash Flow (as defined in ANNEX A), Free Cash Flow (as defined in ANNEX A), Net Income, Unit Volume, Market Share, and an overall Value Measure (as defined in ANNEX A)) by the percentage specified in the following table for the level of performance achieved with respect to each such goal:

Goal Achievement (in percent)	Amount of Award (as a % of max.)
89.0 or less	0
89.1-94	80
94.1-97	90
97.1-100	100
100.1-105	110
105.1-110	120

6. The Committee will review and approve all awards. The Committee has full and final authority in its discretion to adjust the Gross Cash Award determined in accordance with the formula described above in arriving at the actual gross amount of the award to be paid to any participant; subject, however, to the limitation that such authority may be exercised in a manner which reduces (by using lower numbers for the Indexed Performance Factor or otherwise), but not in a manner which increases, the Gross Cash Award calculated in accordance with the formula prescribed in Paragraph 2 above. The gross amount will be subject to all local, state and federal minimum tax withholding requirements.

7. Participant must be an employee of the Company on the date of payment to qualify for an award. Any participant who leaves the employ of the Company, voluntarily or involuntarily, prior to the payment date, is ineligible for any bonus. An employee who assumes a key position during the fiscal year may be eligible for a pro-rated award at the option of the Committee, provided the participant has been employed a minimum of three (3) months during the calendar year.

8. Awards under the bonus program will not be made if any material aspects of the bottle contracts with The Coca-Cola Company are violated.

Payment Date: Awards shall be paid upon determination (and certification by the Committee, as provided below) of the results under each of the performance criteria specified in Paragraph 5 above following the closing of the Company's books for the fiscal year to which

such awards relate; provided, however, that the Committee shall have discretion to delay its certification and payment of awards for any fiscal year until following notification from the Company's independent auditors of the final audited results of operations for the fiscal year. In any event, the Committee shall provide written certification that the annual performance goals have been attained, as required by Section 162(m), prior to any payments being made for any fiscal year.

AMENDMENTS, MODIFICATIONS AND TERMINATION

The Committee is authorized to amend, modify or terminate the Plan retroactively at any time, in part or in whole; provided, however, that any such amendment may not cause payments to "covered employees" under the Plan to cease to qualify as "performance-based compensation" under Section 162(m) unless such amendment has been approved by the full Board of Directors of the Company.

SHAREHOLDER APPROVAL REQUIREMENT

So long as the Company and the Plan are subject to the provisions of Section 162(m), no awards shall be paid to any participants under the Plan unless the performance goals under the Plan (including any subsequent Plan amendments as contemplated above) shall have received any approval of the Company's shareholders required in order for all such payments to "covered employees" to qualify as "performance-based compensation" under Section 162(m).

ANNEX A FOR 2001

APPROVED PERFORMANCE CRITERIA FOR
AWARDING BONUS PAYMENTS

CORPORATE GOALS

PERFORMANCE INDICATOR	WEIGHTAGE FACTOR*	GOAL
1. Operating Cash Flow	30%	Approved Budget
2. Free Cash Flow	40%	Approved Budget
3. Net Income	10%	Approved Budget
4. Unit Volume	5%	Approved Budget
5. Market Share - Nielsen	5%	Positive Share Swing
6. Value Measure (9 X OCF - Debt)	10%	Approved Budget
Total	100%	

* Set as Part of Approved Plan

NOTES:

1. Operating cash flow is defined as income from operations before depreciation and amortization of goodwill and intangibles.

2. Free cash flow is defined as the net cash available for debt paydown after considering non-cash charges, capital expenditures, taxes and adjustments for changes in assets and liabilities, but before payment of cash dividends. Specifically excluded would be acquisitions and capital expenditures made because of acquisitions. Specifically excluded from free cash flow are net proceeds from:
   - Sales of franchise territories
   - Sales of real estate
   - Sales of other assets
   - Other items as defined by the Committee.

3. Net Income is defined as the after-tax reported earnings of the Company.

4. Unit Volume is defined as bottle, can and pre-mix cases, converted to 8 oz. cases.

5. If, and to the extent that, excluding any of the following items increases the level of goal achievement with respect to any of the performance indicators, then such item shall be excluded from determination of the level of goal achievement:
   - Unbudgeted events of more than $50,000.
   - Impact of non-budgeted acquisition or joint venture transactions occurring after the commencement of the fiscal year performance period.
   - Adjustments required to implement unbudgeted changes in accounting principles (i.e., new FASB rulings).
   - Unbudgeted changes in depreciation and amortization schedules.
   - Unbudgeted premiums paid or received due to the retirement of refinancing of debt or hedging vehicles.

   The Committee shall, however, have discretion to include any of these specifically excluded items, but only to the extent that the exercise of such discretion would reduce (but not increase) the amount of any award otherwise payable under the Plan.

6. Bonus program will not be in force if any material aspects of the Bottle Contracts with TCCC are violated.

7. For purposes of determining incentive compensation, accounting practices and principles used to calculate "actual" results will be consistent with those used in calculating the budget.

RETIREMENT AND CONSULTING AGREEMENT

THIS RETIREMENT AND CONSULTING AGREEMENT (the "Agreement") is made to be effective the 1st day of June, 2000, by and between Reid M. Henson (hereinafter "Henson") and Coca-Cola Bottling Co. Consolidated (hereinafter the "Company").

W I T N E S S E T H:
- - - - - - - - - - -

WHEREAS, Henson has served as an officer of the Company with the title of Vice Chairman of the Board of Directors of the Company (hereinafter the "Board") since 1983; and

WHEREAS, Henson has expressed his intention to retire as an officer of the Company effective as of May 31, 2000, and the Board desires to insure that Henson will serve as a consultant to the Company after his retirement; and

WHEREAS, Henson is willing to provide such consulting services to the Company after his retirement under the terms and conditions of this Agreement;

NOW, THEREFORE, in consideration of the premises and other consideration as expressly provided for herein, the parties hereto agree as follows:

1. Retirement.

(a) Retirement Date. Henson and the Company agree that Henson shall retire as an employee and officer of the Company effective as of May 31, 2000 (the "Retirement Date").

(b) Employee Benefit Plans of the Company. Henson shall be entitled to the rights and benefits of a retiree pursuant to the retiree medical plan of the Company as in effect as of the Retirement Date applicable to retirees of the Company subject to and in accordance with the terms and conditions of such plan. In addition, Henson shall be entitled to receive the benefits payable to Henson pursuant to the terms of the other employee benefit plans of the Company in which Henson participates as in effect as of the Retirement Date. This Agreement shall neither reduce nor enlarge Henson's rights, if any, under the terms of such plans and shall not change the terms of such plans or the benefits earned by or due to Henson thereunder. The benefits earned by or due to Henson in accordance with the terms of such plans shall be paid to Henson by the Company or such plans (as the case may be), and such payments shall discharge fully all obligations of the Company and such plans with respect to Henson's benefits under such plans.

2. Continued Service as a Director. Henson and the Company acknowledge that Henson is currently serving as a director of the Company with a term expiring in 2002. Henson shall continue to serve as a director of the Company for the remainder of such term in accordance with the Bylaws of the Company; provided, however, that during the term of this Agreement, Henson shall not be entitled to receive any compensation for his services as a director, either in the form of an annual retainer or meeting fees. Notwithstanding the foregoing, if Henson continues to serve as a director following the termination of this Agreement, then Henson shall be entitled to receive the same compensation and benefits accorded to other nonemployee directors of the Company for his services as a director from and after the termination of this Agreement.

3. Consulting.

(a) Duties. Commencing as of June 1, 2000, Henson shall stand ready to and shall furnish to the Company such "consulting services" as the Chief Executive Officer of the Company (or his designee) may reasonably request, which such consulting services may include consulting with and assisting the management of the Company concerning the general oversight and guidance of the Company and major projects of the Company, and providing the Company with the benefit of his experience and knowledge concerning all such matters. Henson agrees to provide the Company with such time and business resources as are reasonably necessary in order to carry out his responsibilities hereunder, and he agrees not to accept any other employment that would preclude him from carrying out or otherwise interfering with his responsibilities hereunder. In addition, Henson acknowledges that from time to time he may be required to provide substantial time and business resources to the Company in connection with the consulting services requested hereunder. The parties agree that in performing consulting services hereunder Henson shall not be an employee of the Company but shall act in the capacity of independent contractor.

(b) Compensation. In consideration for the services to be rendered by Henson pursuant to this Section 3, the Company agrees to pay to Henson $350,000 annually, such amount to be paid in equal monthly installments.

4. Term. The term of this Agreement shall commence as of the date hereof and shall continue until May 31, 2005. Notwithstanding the foregoing, this Agreement shall terminate prior to May 31, 2005 upon the following events:

(a) Henson elects to terminate the Agreement, in which event Henson shall serve sixty (60) days advance written notice upon the Company informing the Company of his election to terminate this Agreement;

(b) The death of Henson, in which event this Agreement shall terminate automatically, without any requirement of notice; or

(c) A determination made in good faith by the Board that Henson has willfully failed to perform or is unable to perform due to medical infirmity the services assigned to him by the Company pursuant hereto, in which event this Agreement shall terminate automatically, without any requirement of notice.

5. Confidentiality of Company Information. Henson agrees to keep confidential and not to disclose to anyone other than a person acting on behalf of the Company any information about the Company concerning its methods and manner of operation, marketing plans, new

products, procedures, methods, processes, know-how and techniques, customer lists and other similar information that may be useful by a competitor of the Company. This obligation shall continue throughout the term of this Agreement and thereafter indefinitely.

6. Covenant Not to Compete. Henson agrees not to engage in any business activity which competes with or is likely to compete with the business of the Company in the states in which the Company conducts its business operations during the term of this Agreement and for a period of three (3) years following the termination of this Agreement. For the purposes hereof, engaging in a business activity shall include engaging in a business as an employee, partner, officer, director, consultant, or owner of an equity interest in a business, whether it is a proprietorship, corporation, partnership, limited liability company or similar entity.

7. Governing Law. This Agreement shall be governed by and interpreted by the laws of the State of North Carolina.

8. Entire Agreement. This instrument contains the entire agreement of the parties with respect to the subject matter hereof and all previous agreements and discussions relating to the same or similar subject matter are merged herein. This Agreement may not be changed, amended, modified, terminated or waived except by a writing signed by both parties hereto. Neither this Agreement nor the provisions of this Section may be changed, amended, modified, terminated or waived as a result of any failure to enforce any provision or the waiver of any specific breach or breaches thereof or any course of conduct of the parties.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year set forth opposite each respective name.

COCA-COLA BOTTLING CO. CONSOLIDATED

By:	/s/ Robert D. Pettus, Jr.	5/15/2000
	Name:	(Date)
	Title:	

/s/ Reid M. Henson	5-17-2000
Reid M. Henson	(Date)

LIST OF SUBSIDIARIES

Entity's Legal Name	Date Inc./ Organized	State Inc./ Organized	100% Ownership By	Percent Owned
Coca-Cola Bottling Co. Consolidated	4/8/80	DE		
Carolina Coca-Cola Bottling Co.	10/26/98	DE	Coca-Cola Bottling Co. Consolidated	100%
Case Advertising, Inc.	2/18/88	DE	Coca-Cola Bottling Co. Consolidated	100%
Category Management Consulting, LLC	6/29/95	NC	Coca-Cola Bottling Co. Consolidated and	99%
			Coca-Cola Bottling Co. of Roanoke, Inc.	1%
CC Beverage Packing, Inc.	3/15/88	DE	Coca-Cola Bottling Co. Consolidated	100%
CCBC of Nashville, LP	12/20/96	TN	Coca-Cola Bottling Company of Tennessee, LLC	51%
			and Consolidated Volunteer, Inc.	49%
CCBC of Wilmington, Inc.	6/17/93	DE	Piedmont Coca-Cola Bottling Partnership	100%
CCBCC Relief Foundation, Inc.	06/13/95	NC	Coca-Cola Bottling Co. Consolidated	100%
CCBCC, Inc.	12/20/93	DE	Coca-Cola Bottling Co. Consolidated	100%
Chesapeake Treatment Company, LLC	6/5/95	NC	Coca-Cola Bottling Co. Consolidated	99%
			and Case Advertising, Inc.	1%
COBC, Inc.	11/23/93	DE	Columbus Coca-Cola Co.	100%
Coca-Cola Bottling Co. Affiliated, Inc.	4/18/35	DE	Coca-Cola Bottling Co. Consolidated	100%
Coca-Cola Bottling Co. of Roanoke, Inc.	2/5/85	DE	Coca-Cola Bottling Co. Consolidated	100%
Coca-Cola Bottling Company of Alabama, LLC	12/26/96	DE	Coca-Cola Bottling Co. Consolidated	1%
			and CC Beverage Packing, Inc.	99%
Coca-Cola Bottling Company of Mobile, LLC	12/20/96	AL	Coca-Cola Bottling Company of Alabama, LLC	51%
			and CC Beverage Packing, Inc.	49%
Coca-Cola Bottling Company of North Carolina, LLC	12/18/95	NC	Coca-Cola Bottling Co. Consolidated	1%
			and Coca-Cola Bottling Co. Affiliated, Inc.	99%
Coca-Cola Bottling Company of Tennessee, LLC	12/12/96	TN	Coca-Cola Bottling Co. Consolidated and	99%
			Coca-Cola Bottling Co. of Roanoke, Inc.	1%
Coca-Cola Ventures, Inc.	6/17/93	DE	Coca-Cola Bottling Co. Affiliated, Inc.	100%
Columbus Coca-Cola Bottling Co.	7/10/84	DE	Coca-Cola Bottling Co. Consolidated	100%
Consolidated Leasing, LLC	1/14/97	NC	Coca-Cola Bottling Co. Consolidated and	99%
			The Coca-Cola Bottling Company of WV, Inc.	1%
Consolidated Real Estate Group, LLC	1/4/00	NC	Coca-Cola Bottling Co. Consolidated	100%
Consolidated Volunteer, Inc.	12/11/96	DE	Coca-Cola Bottling Co. Consolidated	100%
ECBC, Inc.	11/23/93	DE	Coca-Cola Bottling Co. Affiliated, Inc.	100%
Heath Oil Co, Inc.	9/9/86	SC	Carolina Coca-Cola Bottling Co.	100%
Jackson Acquisitions, Inc.	1/24/90	DE	Coca-Cola Bottling Co. Consolidated	100%
LYBC, Inc.	9/10/99	DE	Lynchburg Coca-Cola Bottling Co., Inc.	100%
Lynchburg Coca-Cola Bottling Co., Inc.	09/14/99	DE	Coca-Cola Bottling Co. of Roanoke, Inc.	100%
Metrolina Bottling Company	5/21/93	DE	Coca-Cola Bottling Co. Consolidated	100%
MOBC, Inc.	11/23/93	DE	CC Beverage Packing, Inc.	100%
NABC, Inc.	11/23/93	DE	Consolidated Volunteer, Inc.	100%
Panama City Coca-Cola Bottling Co.	10/5/31	FL	Columbus Coca-Cola Bottling Co.	100%
PCBC, Inc.	11/23/93	DE	Panama City Coca-Cola Bottling Co.	100%
Reidsville Transaction Corporation	05/16/99	DE	Coca-Cola Bottling Co. Consolidated	100%
ROBC, Inc.	11/23/93	DE	Coca-Cola Bottling Co. of Roanoke, Inc.	100%
SUBC, Inc.	12/02/98	DE	Carolina Coca-Cola Bottling Co.	100%
Tennessee Soft Drink Production Company	12/22/88	TN	Consolidated Volunteer, Inc.	100%
The Coca-Cola Bottling Company of West Virginia, Inc.	12/28/92	WV	Coca-Cola Bottling Co. Consolidated	100%
Thomasville Acquisitions, Inc.	1/8/97	DE	Coca-Cola Bottling Co. Consolidated	100%
TOBC, Inc.	3/24/97	DE	Coca-Cola Bottling Co. Consolidated	100%
TXN, Inc.	1/3/90	DE	Data Ventures, LLC	100%
WCBC, Inc.	11/23/93	DE	Coca-Cola Bottling Co. Affiliated, Inc.	100%
Whirl-I-Bird, Inc.	11/3/86	TN	Coca-Cola Bottling Co. Consolidated	100%
WVBC, Inc.	11/23/93	DE	The Coca-Cola Bottling Company of WV, Inc.	100%

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statement on Forms S-3 (Nos.33-4325, 33-54657 and 333-71003) of Coca-Cola Bottling Co. Consolidated of our report dated February 14, 2001 relating to the financial statements and financial statement schedules, which appears in this Form 10-K.

PricewaterhouseCoopers LLP

Charlotte, North Carolina
March 28, 2001