
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 10-K

(Mark One)

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

For the fiscal year ended December 31, 2004

OR

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

For the transition period from _____ to _____.

Commission File Number: 0-19582

OLD DOMINION FREIGHT LINE, INC.

(Exact name of registrant as specified in its charter)

VIRGINIA
(State or other jurisdiction of
incorporation or organization)

56-0751714
(I.R.S. Employer
Identification No.)

500 Old Dominion Way
Thomasville, NC 27360
(Address of principal executive offices)

(336) 889-5000 (Registrant's Telephone Number)
www.odfl.com (Registrant's Web Site)

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12(g) of the Act:

Common Stock (\$.10 par value)
(Title of class)

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

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

Indicate by check mark whether the registrant is an accelerated filer (as defined in Exchange Act Rule 12b-2). Yes No

The aggregate market value of voting stock held by nonaffiliates of the registrant as of June 30, 2004, was \$405,737,249.

As of March 16, 2005, the registrant had 24,845,235 outstanding shares of Common Stock (\$.10 par value).

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Company's Proxy Statement for the 2005 Annual Meeting of Shareholders are incorporated by reference into Part III of this

report.

PART I

ITEM 1. BUSINESS

Unless the context requires otherwise, references in this report to “Old Dominion”, the “Company”, “we”, “us” and “our” refer to Old Dominion Freight Line, Inc. and its subsidiary on a consolidated basis.

General

We are a leading less-than-truckload (“LTL”) multi-regional motor carrier providing timely one to five day service among five regions in the United States and next-day and second-day service within these regions. Through our four branded product groups, OD-Domestic, OD-Expedited, OD-Global and OD-Technology, we offer an expanding array of innovative products and services. At December 31, 2004, we provided full-state coverage to 29 of the 40 states that we served directly within the Southeast, South Central, Northeast, Midwest and West regions of the country. Through marketing and carrier relationships, we also provided service to and from the remaining states as well as international services around the globe. We plan to continue to expand our markets and increase our direct coverage to 41 states and our full-state coverage to 31 states in the first quarter of 2005, as a result of the January 2005 selected asset purchase of Wichita Southeast Kansas Transit (“WSKT”). For a discussion of the WSKT asset purchase, see Note 9 to the consolidated financial statements. Old Dominion was founded in 1934 and incorporated in Virginia in 1950.

We have grown substantially over the last several years through strategic acquisitions and internal growth. Prior to 1995, we provided inter-regional service to major metropolitan areas from, and regional service within, the Southeast region of the United States. Since 1995, we have expanded our infrastructure to provide next-day and second-day service within four additional regions as well as expanded inter-regional service among those regions. From 1995 through December 31, 2004, we increased our number of service centers from 53 to 138 and our states directly served from 21 to 40. We believe that our present infrastructure will enable us to increase the volume of freight moving through our network, or freight density, and thereby improve our profitability.

We are committed to providing our customers with high quality service. We are continually upgrading our technological capabilities to improve our customer service, reduce our transit times and minimize our operating costs. In addition to our core LTL services, we provide premium expedited services, container delivery service to and from nine port facilities and distribution services in which we either consolidate LTL shipments for full truckload transport by a truckload carrier or break down full truckload shipments from a truckload carrier into LTL shipments for our delivery.

We combine the rapid transit times of a regional carrier with the geographic coverage of an inter-regional carrier. We believe our transit times are generally faster than those of our principal national competitors in part because of our more efficient service center network, use of team drivers and investment in technology. In addition, our direct service to 40 states and five regions provides greater geographic coverage than most of our regional competitors. We believe our diversified mix and scope of regional and inter-regional services enable us to provide our customers a single source to meet their LTL shipping needs.

We provide consistent customer service from a single organization offering our customers information and pricing from one point of contact. Many of our multi-regional competitors that offer inter-regional service do so through independent companies with separate points of contact, which can result in inconsistent service and pricing, as well as poor shipment visibility. Our integrated structure allows us to offer our customers consistent and continuous service across all regions.

Our Industry

Trucks provide transportation services to virtually every industry operating in the United States and generally offer higher levels of reliability and faster transit times than other surface transportation options. The trucking industry is comprised principally of two types of motor carriers: truckload and LTL. Truckload carriers generally dedicate an entire trailer to one customer from origin to destination. LTL carriers pick up multiple shipments from multiple customers on a single truck and then route the goods through service centers where freight may be transferred to other trucks with similar destinations for delivery.

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In contrast to truckload carriers, LTL carriers require expansive networks of local pickup and delivery service centers, as well as larger hub facilities. Significant capital is required of LTL motor carriers to create and maintain a network of service centers and a fleet of tractors and trailers. The substantial infrastructure spending needed for LTL carriers makes it difficult for new start-up or small operations to effectively compete with established companies.

Service Center Operations

At December 31, 2004, we conducted operations through 138 service center locations, of which we own 68 and lease 70. We operate major breakbulk, or hub, facilities in Atlanta, Georgia; Rialto, California; Indianapolis, Indiana; Greensboro, North Carolina; Harrisburg, Pennsylvania; Memphis and Morristown, Tennessee; and Dallas, Texas, while using some smaller service centers for limited breakbulk activity in order to serve next-day markets. Our service centers are strategically located in five regions of the country to provide the highest quality service and minimize freight rehandling costs.

Each of our service centers is responsible for the pickup and delivery of freight for its service area. All inbound freight received by the service center in the evening or during the night is scheduled for local delivery the next business day, unless a customer requests a different delivery schedule. Each service center loads the freight by destination the day it is picked up. Our management reviews the productivity and service performance of each service center on a daily basis in order to maximize quality service.

While we have established primary responsibility for customer service at the local service center level, our customers may access information through several different gateways such as our website, electronic data interchange, automated voice response systems, automated fax systems or through our customer service department located at our corporate office. Our systems offer direct access to information such as freight tracking, shipping documents, rate quotes, rate databases and account activity.

We plan to expand capacity at existing service centers as well as expand the number of service centers geographically as opportunities arise that provide for profitable growth and fit the needs of our customers.

Linehaul Transportation

Our Linehaul Transportation Department is responsible for directing the movement of freight among our service centers. Linehaul dispatchers control the movement of freight among service centers through real-time, integrated freight movement systems. We also utilize load-planning software to optimize efficiencies in our linehaul operations. Our senior management continuously monitors freight movements, transit times, load factors and other productivity measurements to ensure that we maintain our highest levels of service and efficiency.

We use scheduled dispatches, and additional dispatches as necessary, to meet our published service standards. In addition, we lower our cost structure by maintaining flexible work force rules and by using twin 28-foot trailers exclusively in our linehaul operations. Use of twin 28-foot trailers permits us to pick up freight directly from its point of origin to destination with minimal unloading and reloading, which also reduces cargo claims expenses, and twin trailers permit more freight to be hauled behind a tractor than could be hauled if we used one larger trailer.

Tractors, Trailers and Maintenance

At December 31, 2004, we operated 3,430 tractors. We generally use new tractors in linehaul operations for approximately three to five years and then transfer those tractors to pickup and delivery operations for the remainder of their useful lives. In a number of our service centers, tractors perform pickup and delivery functions during the day and linehaul functions at night to maximize tractor utilization.

At December 31, 2004, we operated a fleet of 13,081 trailers. As we have expanded and our needs for equipment have increased, we have purchased new trailers as well as trailers meeting our specifications from other trucking companies. These purchases of pre-owned equipment, though providing an excellent value, have the effect of increasing our trailer fleet's average age.

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The table below reflects, as of December 31, 2004, the average age of our tractors and trailers:

<u>Type of equipment (categorized by primary use)</u>	<u>Number of units</u>	<u>Average age</u>
Linehaul tractors	2,313	2.7 years
Pickup and delivery tractors	1,117	8.5 years
Pickup and delivery trucks	41	3.1 years
Linehaul trailers	9,708	9.2 years
Pickup and delivery trailers	3,373	11.2 years

We develop certain specifications for tractors and trailers, the production and purchase of which are negotiated with several manufacturers. These purchases are planned well in advance of anticipated delivery dates in order to accommodate manufacturers' production schedules. We believe that there is sufficient capacity among suppliers to ensure an uninterrupted flow of equipment.

The table below sets forth our capital expenditures for tractors and trailers for the years ended December 31, 2004, 2003 and 2002:

<i>(In thousands)</i>	<u>Year ended December 31,</u>		
	<u>2004</u>	<u>2003</u>	<u>2002</u>
Tractors	\$35,932	\$32,710	\$22,900
Trailers	20,887	12,746	8,800
Total	\$56,819	\$45,456	\$31,700

At December 31, 2004, we had major maintenance operations at our service centers in Los Angeles and Rialto, California; Atlanta, Georgia; Des Plaines, Illinois; Indianapolis, Indiana; Jersey City, New Jersey; Greensboro, North Carolina; Columbus, Ohio; Harrisburg, Pennsylvania; Morristown and Memphis, Tennessee; and Dallas, Texas. In addition, eleven other service center locations are equipped to perform routine and preventive maintenance checks and repairs on our equipment.

We have an established scheduled maintenance policy and procedure. Linehaul tractors are routed to appropriate maintenance facilities at designated mileage or time intervals, depending upon how the equipment was utilized. Pickup and delivery tractors and trailers are scheduled for maintenance every 90 days.

Marketing and Customers

At December 31, 2004, we had a sales staff of 363 employees. We compensate our sales force, in part, based upon revenue generated, company and service center profitability and on-time service performance, which we believe helps to motivate our employees.

We utilize a computerized freight costing model to determine the price level at which a particular shipment of freight will be profitable. We can modify elements of this freight costing model, as necessary, to simulate the actual conditions under which the freight will be moved. We also compete for business by participating in bid solicitations. Customers generally solicit bids for relatively large numbers of shipments for a period of one to two years, and typically choose to enter into contractual arrangements with a limited number of motor carriers based upon price and service.

Revenue is generated from many customers and locations across the United States and North America. At year-end 2004, our customer base exceeded 60,000 customers. In 2004, our largest customer accounted for approximately 3.5% of revenue and our largest 20, 10 and 5 customers accounted for approximately 22.4%, 15.1% and 10.3% of our revenue, respectively. For each of the previous three years, less than 5% of our revenue was generated from international services. We believe the diversity of our revenue base helps protect our business from adverse developments in a single geographic region and the reduction or loss of business from a single customer.

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Competition

The transportation industry is highly competitive on the basis of both price and service. We are the 7th largest non-unionized LTL carrier in the United States, measured by revenue. We compete with regional, inter-regional and national LTL carriers and, to a lesser extent, with truckload carriers, small package carriers, airfreight carriers and railroads. Competition is based primarily on personal relationships, price and service. We believe that we are able to compete effectively in our markets by providing high quality and timely service at competitive prices.

We believe our transit times are generally faster than those of our principal national competitors. We believe this performance is due in part to our more efficient service center network, use of team drivers and investment in technology. In addition, we provide greater geographic coverage than most of our regional competitors. We believe our diversified mix and scope of regional and inter-regional services enable us to provide our customers with a single source to meet their LTL shipping needs and provides us with a distinct advantage over our regional, multi-regional and national competition.

We also believe our non-union workforce gives us a significant advantage over our unionized LTL competition. Advantages of our workforce include flexible hours and the ability of our employees to perform multiple tasks, which we believe result in greater productivity, customer service, efficiency and cost savings.

We compete with several larger transportation service providers, each of which has more equipment, a broader coverage network and a wider range of services than we do. Our larger competitors also have greater financial resources and, in general, the ability to reduce prices to gain business, especially during times of reduced growth rates in the economy, which may limit our ability to maintain or increase prices or maintain significant growth.

On February 25, 2005, Yellow Roadway Corporation announced that it entered into a definitive agreement to acquire USF Corporation. These two companies are direct competitors, and the combined enterprise is expected to have annual revenue in excess of \$9 billion. The addition of USF Corporation will allow Yellow Roadway to enter the next-day and regional markets, which are among the fastest growing transportation markets, and thereby may enable Yellow Roadway to compete more directly with us for customers.

Seasonality

Our tonnage levels and revenue mix are subject to seasonal trends common in the motor carrier industry. Financial results in the first quarter are normally lower due to reduced shipments during the winter months. Harsh winter weather can also adversely impact our performance by reducing demand and increasing operating expenses. Freight volumes typically build to a peak in the third quarter and early fourth quarter, which generally result in improved operating margins.

Technology

We continually upgrade our technological capabilities. We provide access to our systems through multiple gateways that offer our customers maximum flexibility and immediate access to information. We also employ freight handling systems and logistics technology in an effort to reduce costs and transit times. Our principal technologies include:

- *www.odfl.com*. A variety of information and services are available through our award-winning web site. We continuously update our web site with current information, including service products, coverage maps, financial data, news releases, corporate governance matters, employment opportunities and other information of importance to our customers, investors and employees. We make available, free of charge on our web site, our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to these reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 as soon as reasonably practicable after we electronically file these reports with, or furnish them to, the Securities and Exchange Commission.

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- *odfl4me.com*. Customers may register on the secure area of our web site, *odfl4me.com*. Our simple registration gives our customers the freedom to manage their accounts from their desktops; create bills of lading; get information they need online easily and efficiently; check the real-time status of all active shipments; receive interactive rate estimates; schedule pickups; pay invoices; download rates; generate reports; and view or print documents.
- *Interactive Voice Response (IVR)*. Through our IVR telephone system, callers can trace shipments, develop rate estimates and access our fax server to retrieve shipping documents, such as delivery receipts and bills of lading.
- *Electronic Data Interchange (EDI)*. For our customers who prefer to exchange information electronically, we provide a number of EDI options with flexible formats and communication alternatives. Our customers can transmit or receive invoices, remittance advices, shipping documents and shipment status information, as well as other customized information.
- *Radio Frequency Identification (RFID) System*. This automated arrival/dispatch system monitors equipment location and freight movement throughout our system. Radio frequency identification tags are installed on all of our tractors and trailers, and readers are installed in most of our service centers. These tags and readers record arrivals and departures, eliminating the need for manual entry and providing real-time freight tracing capabilities for our customers and our employees.
- *Dock Yard Management (DYM) System*. The DYM system records the status of shipments moving within our system through a network of computers mounted on our freight docks, switching tractors and forklifts. When a shipment is scanned, its status is updated throughout the system. Handheld and fixed mounted computers are used to monitor, update and close loads on the dock. We completed the planned installation of the DYM system during 2004.
- *Handheld Computer System*. Handheld computers utilized by our drivers provide them with direct communication to our systems and allow them to capture real-time information during pickups and deliveries, including individual pieces and weights as well as origin and destination shipping points. Timely pickup information allows for better direct loading and efficient scheduling of linehaul operations and enhances real-time information for our customers' visibility of their supply chain.
- *Pickup and Delivery ("P&D") Optimization Software*. We are implementing P&D optimization software to assist our service centers in improving the efficiency of their P&D routes. At December 31, 2004, we were using this software at 130 service centers for street level route optimization and will continue to implement and develop this technology in 2005.

Insurance

We carry significant insurance with third party insurance carriers and we self-insure a portion of this risk. We are currently self-insured for bodily injury and property damage claims up to \$2,000,000 per occurrence. Cargo claims are self-insured up to \$100,000. We also are self-insured for workers' compensation in certain states and have first dollar or high deductible plans in the other states. The workers' compensation retention levels for all states range from \$250,000 to \$1,000,000 depending on the plan year. Group health claims are self-insured up to \$300,000 per occurrence and long-term disability claims are self-insured to a maximum per individual of \$3,000 per month.

We believe that our policy of self-insuring up to set limits, together with our safety and loss prevention programs, is an effective means of managing insurance costs. We believe that our current insurance coverage is adequate to cover our liability risks.

Fuel Availability and Cost

Our industry depends heavily upon the availability of diesel fuel. In periods of significant price increases, we have implemented a fuel surcharge to offset the additional cost of fuel, which is consistent with our competitors' practices. However, from time to time, we experience shortages in the availability of fuel at certain locations and have been forced to incur additional expense to ensure adequate supply on a timely basis. Our management believes that our operations and financial condition are susceptible to the same fuel price increases or fuel shortages as those of our competitors. Fuel costs, including fuel taxes, averaged 9.5% of revenue in 2004. Our current fuel surcharge program was implemented in August 1999 and has remained in effect since that time.

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Tire Availability

Our industry depends heavily upon the availability of tires. Due to increased demand for tires in the transportation industry, tire manufacturers have recently faced capacity constraints. In response to these constraints, we have obtained commitments from our suppliers to ensure that our needs for 2005 will be met.

Employees

As of December 31, 2004, we employed 8,497 individuals on a full-time basis in the following categories:

<u>Category</u>	<u>Number of employees</u>
Drivers	4,336
Platform	1,527
Mechanics	268
Sales	363
Salaried, clerical and other	2,003

As of December 31, 2004, we employed 1,981 linehaul drivers and 2,355 pickup and delivery drivers. All of our drivers are selected based upon driving records and experience. Drivers are required to pass drug tests and have a current United States Department of Transportation ("DOT") physical and a valid commercial driver's license prior to employment. Drivers are also required to take drug and alcohol tests periodically, by random selection.

To help fulfill driver needs, we offer qualified employees the opportunity to become drivers through the "Old Dominion Driver Training Program." Since its inception in 1988, 1,609 individuals have graduated from this program, from which we have experienced an annual turnover rate of approximately 9%. We believe our driver training and qualification programs have been important factors in improving our safety record. Drivers with safe driving records are rewarded with bonuses of up to \$1,000 annually. Driver safety bonuses paid during 2004 were approximately \$829,000.

Our management believes that relations with our employees are excellent and there are no employees represented under a collective bargaining agreement. We believe our non-union workforce gives us a significant advantage over unionized LTL carriers. Advantages of our workforce include flexible hours and the ability of our employees to perform multiple tasks, which we believe result in greater productivity, customer service, efficiency and cost savings. Management's focus on communication and the continued education, development and motivation of our employees helps to ensure that our relationship with our employees remains excellent.

Governmental Regulation

We are regulated by the Surface Transportation Board, an agency within the DOT, and by various state agencies. These regulatory authorities have broad powers, generally governing matters such as authority to engage in motor carrier operations, hours of service, certain mergers, consolidations and acquisitions, and periodic financial reporting. The trucking industry is subject to regulatory and legislative changes, such as increasingly stringent environmental and occupational safety and health regulations or limits on vehicle weight and size, ergonomics and hours of service. These changes may affect the economics of the industry by requiring changes in operating practices or by influencing the demand for, and the costs of providing services to, shippers.

The DOT issued new Hours of Service Regulations for the transportation industry that became effective January 2, 2004. These new regulations increased the number of hours our drivers can drive from 10 hours to a maximum of 11 hours and defined the maximum number of hours in a workday to 14 hours, measured from the driver's initial start time. These regulations also increased the minimum required number of hours of rest between work periods from 8 hours to 10 hours. On September 30, 2004, the U.S. Congress voted to extend the current Hours of Service Regulations until no later than

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September 30, 2005, after a July 2004 ruling by the U.S. Court of Appeals for the District of Columbia that vacated those rules in order to allow the DOT adequate time to provide evidence that the new Hours of Service Regulations are safe. In response to the July 2004 U.S. Court of Appeals decision, the Federal Motor Carrier Safety Administration (“FMCSA”) has been reviewing and reconsidering the Hours of Service Regulations and has asked for public comments. On February 9, 2005, the FMCSA Administrator announced that the Bush Administration will recommend to the U.S. Congress that it include the current Hours of Service Regulations in this year’s highway reauthorization legislation.

We believe that the cost of compliance with applicable laws and regulations neither has materially affected nor will materially affect our results of operations or financial condition.

Environmental Regulation

We are subject to various federal, state and local environmental laws and regulations that focus on, among other things, the emission and discharge of hazardous materials into the environment or their presence on or in our properties and vehicles, fuel storage tanks, transportation of certain materials and the discharge or retention of storm water. Under specific environmental laws, we could also be held responsible for any costs relating to contamination at our past or present facilities and at third-party waste disposal sites. We do not believe that the cost of future compliance with environmental laws or regulations will have a material adverse effect on our operations, financial condition, competitive position or capital expenditures for the remainder of fiscal 2005 or fiscal 2006.

Risk Factors

In addition to the factors discussed elsewhere in this report, the following are some of the important factors that could cause our actual results to differ materially from those projected in any forward-looking statements:

We operate in a highly competitive industry, and our business will suffer if we are unable to adequately address potential downward pricing pressures and other factors that may adversely affect our operations and profitability.

Numerous competitive factors could impair our ability to maintain our current profitability. These factors include the following:

- we compete with many other transportation service providers of varying sizes, some of which have more equipment, a broader coverage network, a wider range of services and greater capital resources than we do or have other competitive advantages;
- some of our competitors periodically reduce their prices to gain business, especially during times of reduced growth rates in the economy, which may limit our ability to maintain or increase prices or maintain significant growth in our business;
- many customers reduce the number of carriers they use by selecting “core carriers” as approved transportation service providers, and in some instances we may not be selected;
- many customers periodically accept bids from multiple carriers for their shipping needs, and this process may depress prices or result in the loss of some business to competitors;
- the trend towards consolidation in the ground transportation industry may create other large carriers with greater financial resources and other competitive advantages relating to their size;
- advances in technology require increased investments to remain competitive, and our customers may not be willing to accept higher prices to cover the cost of these investments; and
- competition from non-asset-based logistics and freight brokerage companies may adversely affect our customer relationships and prices.

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If our employees were to unionize, our operating costs would increase and our ability to compete would be substantially impaired.

None of our employees are currently represented by a collective bargaining agreement. However, from time to time there have been efforts to organize our employees at various service centers. We can make no assurance that our employees will not unionize in the future, which could in turn have a material adverse effect on our operating results because:

- some shippers have indicated that they intend to limit their use of unionized trucking companies because of the threat of strikes and other work stoppages, and such action by our customers would impair our revenue base;
- restrictive work rules could hamper our efforts to improve and sustain operating efficiency;
- a strike or work stoppage would hurt our profitability and could damage customer and other relationships; and
- an election and bargaining process would distract management's time and attention and impose significant expenses.

These results, and unionization of our workforce generally, could have a materially adverse effect on our business, financial condition and results of operations.

If we are unable to successfully execute our growth strategy, our business and future results of operations may suffer.

Our growth strategy includes increasing the volume of freight moving through our existing service center network, selectively expanding the geographic reach of our service center network and broadening the scope of our service offerings. In connection with our growth strategy, we have purchased additional equipment, expanded and upgraded service centers, hired additional personnel and increased our sales and marketing efforts, and expect to continue to do so. Our growth strategy exposes us to a number of risks, including the following:

- geographic expansion requires start-up costs, and often requires lower rates to generate initial business. In addition, geographic expansion may disrupt our freight patterns to and from and within the expanded area and may expose us to areas where we are less familiar with customer rates, operating issues and the competitive environment;
- growth may strain our management, capital resources, information systems and customer service;
- hiring new employees may increase training costs and may result in temporary inefficiencies as the employees become proficient in their jobs; and
- expanding our service offerings may require us to enter into new markets and compete with additional competitors.

We cannot assure that we will overcome the risks associated with our growth. If we fail to overcome such risks, we may not realize additional revenue or profits from our efforts, we may incur additional expenses and therefore our financial position and results of operations could be materially and adversely affected.

Our information technology systems are subject to certain risks that we cannot control.

Our information systems, including our accounting systems, are dependent upon third-party software, global communications providers, telephone systems and other aspects of technology and Internet infrastructure that are susceptible to failure. Though we have implemented redundant systems and network security measures, our information technology remains susceptible to outages, computer viruses, break-ins and similar disruptions that may inhibit our ability to provide services to our customers and the ability of our customers to access our systems. This may result in the loss of customers or a reduction in demand for our services.

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We are exposed to potential risks from recent legislation requiring companies to evaluate their internal control over financial reporting.

Management has concluded that our internal control over financial reporting was effective as of December 31, 2004, in accordance with Section 404 of the Sarbanes-Oxley Act of 2002, based on management's evaluation under the framework in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. In addition, our auditors have attested to management's certification, as set forth in its audit report included in this annual report. Management's evaluation and our auditor's attestation related to a software platform that we had used through December 31, 2004, but that we had decided in 2003 to replace. The process to convert our old software platform to our new platform occurred during 2004 and was completed on January 1, 2005. Consequently, we must document and test, and management must assess, our internal control over financial reporting under the new software platform during 2005 and in future periods. There can be no assurances that the evaluation required by Sarbanes-Oxley Section 404 in 2005 will not result in the identification of control deficiencies, significant deficiencies or material weaknesses.

Difficulty in attracting drivers could affect our profitability.

Competition for drivers is intense within the trucking industry, and we periodically experience difficulties in attracting and retaining qualified drivers. Our operations may be affected by a shortage of qualified drivers in the future, which could cause us to temporarily under-utilize our truck fleet, face difficulty in meeting shipper demands and increase our compensation levels for drivers. If we encounter difficulty in attracting or retaining qualified drivers, our ability to service our customers and increase our revenue could be adversely affected.

Insurance and claims expenses could significantly reduce our profitability.

We are exposed to claims related to cargo loss and damage, property damage, personal injury, workers' compensation, long-term disability and group health. We carry significant insurance with third party insurance carriers. The cost of such insurance has risen significantly. To offset, in part, the significant increases we have experienced, we have elected to increase our self-insured retention levels for most of our risk exposures. If the number or severity of claims for which we are self-insured increases, or we are required to accrue or pay additional amounts because the claims prove to be more severe than our original assessment, our operating results would be adversely affected. Insurance companies require us to obtain letters of credit to collateralize our self-insured retention. If these requirements increase, our borrowing capacity could be adversely affected.

Our business is subject to general economic factors that are largely out of our control.

Economic conditions may adversely affect our customers' business levels, the amount of transportation services they need and their ability to pay for our services. Customers encountering adverse economic conditions represent a greater potential for bad debt losses, which may require us to increase our reserve for bad-debt. In addition, because we self-insure a substantial portion of our group health expense, increases in healthcare costs and pharmaceutical expenses can adversely affect our financial results. Our results also may be negatively affected by increases in interest rates, which increase our borrowing costs and can negatively affect the level of economic activity by our customers and thus our freight volumes.

We have significant ongoing cash requirements that could limit our growth and affect our profitability if we are unable to obtain sufficient financing.

Our business is highly capital intensive. Our net capital expenditures in 2004 and 2003 were \$92,106,000 and \$98,441,000, respectively. We expect our capital expenditures for 2005, including the WSKT selected asset purchase, to be approximately \$145,000,000 to \$155,000,000. We depend on operating leases, lines of credit, secured equipment financing and cash flow from operations to finance the purchase of tractors, trailers and service centers. If we are unable in the future to raise sufficient capital or borrow sufficient funds to make these purchases, we will be forced to limit our growth and operate our trucks for longer periods of time, which could have a material adverse effect on our operating results.

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In addition, our business has significant operating cash requirements. If our cash requirements are high or our cash flow from operations is low during particular periods, we may need to seek additional financing, which may be costly or difficult to obtain. We currently maintain an \$80,000,000 unsecured line of credit with lenders consisting of Wachovia Bank, National Association; Bank of America, N.A.; and Branch Banking and Trust Company that will expire in June 2006. We also executed a note purchase agreement during the first quarter of 2005, pursuant to which we issued \$50,000,000 of privately-placed senior notes in February 2005 and will issue an additional \$25,000,000 of privately-placed senior notes in May 2005. For additional information on these senior notes, see "Liquidity and Capital Resources" included in Item 7.

We may not realize additional revenues or profits from our infrastructure investments in a timely manner or at all.

We have invested, and expect to continue to invest, substantial amounts in building, expanding and upgrading service center facilities. If we are unsuccessful in our strategy for increasing our market share of LTL shipments, we may not realize additional revenues or profits from our infrastructure investments in a timely manner or at all.

We may be adversely impacted by fluctuations in the price and availability of fuel.

Fuel is a significant operating expense. We do not hedge against the risk of fuel price increases. Any increase in fuel taxes or fuel prices or any change in federal or state regulations that results in such an increase, to the extent not offset by freight rate increases or fuel surcharges to customers, or any interruption in the supply of fuel, could have a material adverse effect on our operating results. Historically, we have been able to offset significant increases in fuel prices through fuel surcharges to our customers, but we cannot be certain that we will be able to do so in the future. From time to time, we experience shortages in the availability of fuel at certain locations and have been forced to incur additional expense to ensure adequate supply on a timely basis.

Limited supply and increased prices for new equipment may adversely affect our earnings and cash flow.

Investment in new equipment is a significant part of our annual capital expenditures. We may face difficulty in purchasing new equipment due to decreased supply. The price of our equipment may be adversely affected in the future by regulations on newly manufactured tractors and diesel engines. See the discussion below: "We are subject to various environmental laws and regulations, and costs of compliance with, liabilities under, or violations of, existing or future environmental laws or regulations could adversely affect our business."

We operate in a highly regulated industry, and increased costs of compliance with, or liability for violation of, existing or future regulations could have a material adverse effect on our business.

We are regulated by the DOT and by various state agencies. These regulatory authorities have broad powers, generally governing matters such as authority to engage in motor carrier operations, safety and fitness of transportation equipment and drivers, driver hours of service, and periodic financial reporting. In addition, the trucking industry is subject to regulatory and legislative changes from a variety of other governmental authorities, which address matters such as increasingly stringent environmental and occupational safety and health regulations or limits on vehicle weight and size, and ergonomics. Regulatory requirements, and changes in regulatory requirements, may affect our business or the economics of the industry by requiring changes in operating practices or by influencing the demand for and the costs of providing transportation services.

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We are subject to various environmental laws and regulations, and costs of compliance with, liabilities under, or violations of, existing or future environmental laws or regulations could adversely affect our business.

We are subject to various federal, state and local environmental laws and regulations regulating, among other things, the emission and discharge of hazardous materials into the environment or presence on or in our properties and vehicles, fuel storage tanks, our transportation of certain materials and the discharge or retention of storm water. Under specific environmental laws, we could also be held responsible for any costs relating to contamination at our past or present facilities and at third-party waste disposal sites. Environmental laws have become and are expected to become increasingly more stringent over time, and there can be no assurance that our costs of complying with current or future environmental laws or liabilities arising under such laws will not have a material adverse effect on our business, operations or financial condition.

The Environmental Protection Agency has issued regulations that require progressive reductions in exhaust emissions from diesel engines through 2007. Beginning in October 2002, new diesel engines were required to meet these new emission limits. Some of the regulations require subsequent reductions in the sulfur content of diesel fuel beginning in June 2006 and the introduction of emissions after-treatment devices on newly-manufactured engines and vehicles beginning with model year 2007. These regulations could result in higher prices for tractors and diesel engines and increased fuel and maintenance costs. These adverse effects, combined with the uncertainty as to the reliability of the vehicles equipped with the newly designed diesel engines and the residual values that will be realized from the disposition of these vehicles, could increase our costs or otherwise adversely affect our business or operations.

Our results of operations may be affected by seasonal factors and harsh weather conditions.

Our operations are subject to seasonal trends common in the trucking industry. Our operating results in the first quarter are normally lower due to reduced demand during the winter months. Harsh weather can also adversely affect our performance by reducing demand and reducing our ability to transport freight, which could result in increased operating expenses.

If we are unable to retain our key employees, our business, financial condition and results of operations could be harmed.

The success of our business will continue to depend upon our executive officers. The loss of the services of any of our key personnel could have a material adverse effect.

Our principal shareholders control a large portion of our outstanding common stock.

On March 15, 2005, Earl E. Congdon and John R. Congdon and members of their families and their affiliates beneficially owned 32.5% of the outstanding shares of our common stock. As long as the Congdon family controls a large portion of our voting stock, they will be able to significantly influence the election of the entire Board of Directors and the outcome of all matters involving a shareholder vote. The Congdon family's interests may differ from other shareholders.

We cannot provide assurances that our acquisitions will be profitable or that they will not negatively impact our business.

Acquisitions have been and continue to be an important part of our growth strategy. However, suitable acquisition candidates may not be available on terms and conditions we find acceptable. In pursuing acquisitions, we compete with other companies, many of which have greater financial and other resources than we do to acquire attractive companies. Even if completed, the following are some of the risks associated with acquisitions that could have a material adverse effect on our business, financial condition and results of operations:

- some of the acquired businesses may not achieve anticipated revenues, earnings or cash flow;
- we may assume liabilities that were not disclosed to us or exceed our estimates;

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- we may be unable to integrate acquired businesses successfully and realize anticipated economic, operational and other benefits in a timely manner, which could result in substantial costs and delays or other operational, technical or financial problems;
- acquisitions could disrupt our ongoing business, distract management, divert resources and make it difficult to maintain our current business standards, controls and procedures;
- we may finance future acquisitions by issuing common stock for some or all of the purchase price, which could dilute the ownership interests of our shareholders; and
- we may incur additional debt related to future acquisitions.

Our business may be harmed by anti-terrorism measures.

In the aftermath of the September 11, 2001, terrorist attacks on the United States, federal, state and municipal authorities implemented various security measures, including checkpoints and travel restrictions on large trucks. If new security measures disrupt or impede the timing of our deliveries, we may fail to meet the needs of our customers or may incur increased expenses to do so. We cannot assure you that these measures will not have a material adverse effect on our operating results.

Our stock price may be volatile and could decline substantially.

Our common stock has experienced price and volume fluctuations. Many factors may cause the market price for our common stock to decline, including some of the risks enumerated above. In addition, if our operating results fail to meet the expectations of securities analysts or investors in any quarter or securities analysts revise their estimates downward, our stock price could decline.

In the past, companies that have experienced volatility in the market price of their stock have been the subject of securities class action litigation. If we become involved in a securities class action litigation in the future, it could result in substantial costs and diversion of management attention and resources, harming our business.

ITEM 2. PROPERTIES

We own our general office located in Thomasville, North Carolina, consisting of a two-story office building of approximately 160,000 square feet on 23.6 acres of land. We also own service center facilities in Birmingham, Dothan and Huntsville, Alabama; Tucson, Arizona; Little Rock, Arkansas; Bakersfield, Los Angeles and Rialto, California; Denver, Colorado; South Windsor, Connecticut; New Castle, Delaware; Atlanta and Sylvester, Georgia; Jacksonville, Miami, Orlando, Sarasota and Tampa, Florida; Des Plaines and Rock Island, Illinois; Indianapolis, Indiana; Des Moines, Iowa; Kansas City, Kansas; Lexington, Kentucky; Baltimore, Maryland; Boston, Massachusetts; Detroit and Lansing, Michigan; Minneapolis, Minnesota; Jackson and Tupelo, Mississippi; Syracuse, New York; Asheville, Charlotte, Fayetteville, Greensboro, Hickory, Wilmington and Wilson, North Carolina; Cincinnati, Columbus, Dayton and Youngstown, Ohio; Oklahoma City, Oklahoma; Harrisburg and Pittsburgh, Pennsylvania; Providence, Rhode Island; Charleston, Columbia and Greenville, South Carolina; Chattanooga, Memphis, Morristown and Nashville, Tennessee; Amarillo, Dallas, El Paso, Houston, Laredo and Wichita Falls, Texas; Salt Lake City, Utah; Manassas, Martinsville, Norfolk and Richmond, Virginia; and La Crosse, Milwaukee and Wausau, Wisconsin.

We also own ten non-operating properties, all of which are held for lease. Seven of these ten properties are currently leased with lease terms ranging from month-to-month to a lease that expires in June 2005.

We lease 70 of our 138 service centers. These leased facilities are dispersed over the 40 states in which we operate in the Southeast, Northeast, Midwest, South Central and West regions of the country. The length of these leases ranges from month-to-month to a lease that expires in August 2011. We believe that as current leases expire, we will be able to renew them or find comparable facilities without incurring any material negative impact on service to customers or our operating results.

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We believe that all of our properties are in good repair and are capable of providing the level of service required by current business levels and customer demands.

ITEM 3. LEGAL PROCEEDINGS

We are involved in various legal proceedings and claims that have arisen in the ordinary course of our business that have not been fully adjudicated. Many of these are covered in whole or in part by insurance. Our management does not believe that these actions, when finally concluded and determined, will have a significant adverse effect upon our financial position or results of operations.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Common Stock and Dividend Information

Our common stock is traded on the Nasdaq National Market under the symbol ODFL. At March 4, 2005, there were approximately 6,000 holders of our common stock, including 134 shareholders of record. We did not pay any dividends on our common stock in fiscal year 2004 or 2003, and we have no current plans to declare or pay any dividends on our common stock in 2005. The information concerning restrictions on dividend payments required by Item 5 of Form 10-K appears in Management's Discussion and Analysis of Financial Condition and Results of Operations under Item 7 of this report and Note 2 of the Notes to Consolidated Financial Statements under Item 8 of this report.

On May 19, 2003, the Board of Directors approved a three-for-two common stock split for shareholders of record as of the close of business on June 4, 2003. On June 16, 2003, those shareholders received one additional share of common stock for every two shares owned.

On April 20, 2004, the Board of Directors approved a three-for-two common stock split for shareholders of record as of the close of business on May 6, 2004. On May 20, 2004, those shareholders received one additional share of common stock for every two shares owned.

The following table sets forth the high and low bid quotations of our common stock for the periods indicated, adjusted where appropriate for the common stock splits on June 16, 2003 and May 20, 2004, as reported by the Nasdaq National Market:

	2004			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
High	\$23.873	\$30.080	\$30.070	\$35.600
Low	\$20.033	\$22.487	\$24.450	\$27.370
	2003			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
High	\$14.702	\$17.747	\$24.060	\$23.880
Low	\$11.551	\$13.311	\$13.600	\$19.200

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ITEM 6. SELECTED FINANCIAL DATA

SELECTED FINANCIAL DATA

	For the Year Ended December 31,				
	2004	2003	2002	2001	2000
<i>(In thousands, except per share amounts and operating statistics)</i>					
Operating Data:					
Revenue from operations	\$824,051	\$667,531	\$566,459	\$502,239	\$475,803
Operating expenses:					
Salaries, wages and benefits	468,775	396,521	340,820	306,361	283,121
Operating supplies and expenses	100,660	72,084	56,309	50,788	50,074
General supplies and expenses	27,450	22,991	20,801	17,510	18,527
Operating taxes and licenses	31,286	26,627	22,681	20,525	18,789
Insurance and claims	26,095	17,583	16,313	13,229	12,465
Communications and utilities	11,541	10,511	10,236	9,623	8,488
Depreciation and amortization	44,823	38,210	31,081	29,888	27,037
Purchased transportation	29,443	21,389	18,873	18,553	19,547
Building and office equipment rents	7,531	7,403	7,435	7,499	7,196
Miscellaneous expenses, net	5,839	2,996	5,624	3,538	3,806
Total operating expenses	753,443	616,315	530,173	477,514	449,050
Operating income	70,608	51,216	36,286	24,725	26,753
Interest expense, net	5,273	6,111	5,736	5,899	4,397
Other expense (income), net	748	(192)	285	(691)	(97)
Income before income taxes	64,587	45,297	30,265	19,517	22,453
Provision for income taxes	25,595	17,697	11,803	7,612	8,757
Net income	\$ 38,992	\$ 27,600	\$ 18,462	\$ 11,905	\$ 13,696
Earnings Per Share:					
Basic	\$ 1.60	\$ 1.15	\$ 0.95	\$ 0.64	\$ 0.73
Diluted	\$ 1.60	\$ 1.15	\$ 0.95	\$ 0.64	\$ 0.73
Weighted Average Shares Outstanding:					
Basic	24,407	24,067	19,408	18,704	18,704
Diluted	24,423	24,095	19,428	18,707	18,706
Operating Statistics:					
Operating ratio	91.4%	92.3%	93.6%	95.1%	94.4%
LTL revenue per LTL hundredweight	\$ 14.49	\$ 13.80	\$ 13.12	\$ 12.75	\$ 12.53
Revenue per intercity mile	\$ 3.76	\$ 3.53	\$ 3.47	\$ 3.37	\$ 3.43
Intercity miles (in thousands)	219,201	189,084	163,097	149,100	138,848
LTL tonnage (in thousands)	2,577	2,208	1,970	1,788	1,697
Shipments (in thousands)	4,918	4,366	3,870	3,463	3,278
Average length of haul (miles)	937	926	903	877	869
As of December 31,					
	2004	2003	2002	2001	2000
Balance Sheet Data:					
Current assets	\$127,171	\$101,370	\$114,545	\$ 73,866	\$ 80,196
Current liabilities	98,454	78,332	63,130	50,566	63,410
Total assets	509,367	434,559	389,478	310,840	296,591
Long-term debt (including current maturities)	79,454	97,426	93,223	98,422	83,542
Shareholders' equity	291,528	232,541	203,563	136,639	124,734

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ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview

We are a leading less-than-truckload multi-regional motor carrier providing timely one to five day service among five regions in the United States and next-day and second-day service within these regions. Through our four branded product groups, OD-Domestic, OD-Expedited, OD-Global and OD-Technology, we offer an expanding array of innovative products and services. At December 31, 2004, we provided full-state coverage to 29 of the 40 states that we serve directly within the Southeast, South Central, Northeast, Midwest and West regions of the country. Through marketing and carrier relationships, we also provided service to and from the remaining states as well as international services around the globe. We plan to continue to expand our markets and increase our direct coverage to 41 states and our full-state coverage to 31 states in the first quarter of 2005, as a result of the January 2005 acquisition of WSKT.

Historically, over 90% of our revenue is derived from transporting LTL shipments for our customers, whose demand for our services is generally tied to the overall health of the U.S. domestic economy. We combine the rapid transit times of a regional carrier with the geographic coverage of an inter-regional carrier. We believe our transit times are generally faster than those of our principal national competitors and we are highly competitive with our principal regional competition.

In analyzing the components of our revenue, we monitor changes and trends in the following key metrics:

- *LTL Revenue Per LTL Hundredweight* – This measurement reflects our pricing policies, which are influenced by competitive market conditions and our growth strategies. Generally, freight is rated by a class system, which is established by the National Motor Freight Traffic Association, Inc. Light, bulky freight typically has a higher class and is priced at higher revenue per hundredweight than dense, heavy freight. Changes in the class, packaging of the freight and length of haul of the shipment can also affect this average. Fuel surcharges, accessorial charges and revenue adjustments are included in this measurement for all periods presented in this annual report. We changed the calculation of this metric in 2005 to include revenue adjustments that are typical in the LTL industry, such as customer allowances and changes to components used in the original rating of the shipment, and we applied this change to the calculation for prior periods reflected in this report. We believe this change improves the periodic comparison of this pricing measurement.
- *LTL Weight Per LTL Shipment* – Fluctuations in weight per shipment can indicate changes in the class, or mix, of freight we receive from our customers as well as changes in the number of units included in a shipment. Generally, increases in LTL weight per LTL shipment indicate higher demand for our customers' products and overall increased economic activity.
- *Average Length of Haul* – We consider lengths of haul less than 500 miles to be regional traffic, lengths of haul between 500 miles and 1,000 miles to be inter-regional traffic, and lengths of haul in excess of 1,000 miles to be national traffic. By segmenting our revenue into lengths of haul, we can determine our market share and the growth potential of our service products in those markets.
- *LTL Revenue Per LTL Shipment* – This measurement is primarily determined by the three metrics listed above and is used, in conjunction with the number of LTL shipments we receive, to calculate total LTL revenue.

Our primary revenue focus is to increase shipment and tonnage growth within our existing infrastructure, generally referred to as increased density, thereby maximizing asset utilization and labor productivity. We measure density over many different functional areas of our operations including revenue per service center, linehaul load factor, pickup and delivery ("P&D") stops per hour, P&D shipments per hour and platform pounds per hour. We believe continued improvement in density is a key component in our ability to sustain profitable growth.

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The majority of direct costs associated with our business are driver and service center wages and benefits; operating supplies and expenses; and depreciation of our equipment fleet and service center facilities. We gauge our overall success in managing these costs by monitoring our operating ratio, a measure of profitability calculated by dividing total operating expenses by revenue, which also allows industry-wide comparisons with our competition.

We continually upgrade our technological capabilities to improve our customer service and lower our operating costs. This technology provides our customers with visibility of their shipments throughout our systems, while providing key metrics from which we can monitor our processes.

We believe our non-union workforce gives us a significant advantage over our unionized LTL competition. Advantages of our workforce include flexible hours and the ability of our employees to perform multiple tasks, which we believe result in greater productivity, customer service, efficiency and cost savings. We focus on communication and the continued education, development and motivation of our employees to ensure that our relationships remain excellent.

Market fluctuations in the cost of key components of our cost structure, such as diesel fuel, can affect our profitability. Our tariffs and contracts generally provide for a fuel surcharge as diesel fuel prices increase above stated levels. We are also subject to market changes in insurance rates, and we continue to evaluate our balance of excess insurance coverage and self-insurance to minimize that cost.

Results of Operations

The following table sets forth, for the years indicated, expenses and other items as a percentage of revenue from operations:

	<u>2004</u>	<u>2003</u>	<u>2002</u>
Revenue from operations	100.0%	100.0%	100.0%
Salaries, wages and benefits	56.9	59.4	60.2
Operating supplies and expenses	12.2	10.8	9.9
General supplies and expenses	3.3	3.4	3.7
Operating taxes and licenses	3.8	4.0	4.0
Insurance and claims	3.2	2.6	2.9
Communication and utilities	1.4	1.6	1.8
Depreciation and amortization	5.4	5.7	5.5
Purchased transportation	3.6	3.2	3.3
Building and office equipment rents	0.9	1.1	1.3
Miscellaneous expenses, net	0.7	0.5	1.0
Total operating expenses	91.4	92.3	93.6
Operating income	8.6	7.7	6.4
Interest expense, net	0.7	0.9	1.0
Other expense, net	0.1	—	0.1
Income before income taxes	7.8	6.8	5.3
Provision for income taxes	3.1	2.7	2.0
Net income	4.7%	4.1%	3.3%

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2004 Compared to 2003

Key financial and operating metrics for 2004 and 2003 are presented below:

	2004	2003	Change	% Change
Revenue (<i>in thousands</i>)	\$824,051	\$667,531	\$156,520	23.4%
Operating ratio	91.4%	92.3%	(0.9)%	(1.0)%
Net income (<i>in thousands</i>)	\$ 38,992	\$ 27,600	\$ 11,392	41.3%
Basic and diluted earnings per share	\$ 1.60	\$ 1.15	\$ 0.45	39.1%
LTL tonnage (<i>in thousands</i>)	2,577	2,208	369	16.7%
LTL shipments (<i>in thousands</i>)	4,808	4,274	534	12.5%
LTL revenue per LTL hundredweight	\$ 14.49	\$ 13.80	\$ 0.69	5.0%
LTL weight per LTL shipment (<i>lbs.</i>)	1,072	1,033	39	3.8%
Average length of haul (<i>miles</i>)	937	926	11	1.2%
LTL revenue per LTL shipment	\$ 155.28	\$ 142.57	\$ 12.71	8.9%

In 2004 and for the third consecutive year, we achieved double-digit growth in revenue, net income and diluted earnings per share. Because our focus in 2004 remained primarily on revenue growth in existing markets, we were successful in increasing our operating density and achieved reductions in our operating ratio to 91.4% from 92.3% in 2003. Increased revenue and improved operating efficiency enabled us to achieve a 41.3% increase in net income and a 39.1% increase in earnings per share, both in excess of our 23.4% growth in revenue. Our earnings per share improvement was achieved despite the dilutive effects of our third quarter 2004 stock offering, which increased our shares outstanding by 736,000 shares, or 3.1%.

Our revenue growth in 2004 was driven primarily by two factors, a 16.7% growth in LTL tonnage coupled with a 5.0% increase in LTL revenue per LTL hundredweight. We believe our tonnage gains are due to overall improvements in the U.S. domestic economy and our ability to attract new customers. In 2004, LTL weight per LTL shipment increased 3.8% over 2003. We believe the increase in LTL weight per LTL shipment indicates greater demand for our customers' products and a resulting increase in overall shipment size and weight. In addition, we have seen higher year-over-year growth rates in our customer base that is priced through individual contracts. Revenue based on contractual pricing increased to 39.7% of our total revenue in 2004 compared with 37.7% in 2003. We believe the expansion of our service center network and full-state coverage to 29 of those states at year-end 2004 has positioned us to be attractive to larger customers that ship to and from many regions in the country and seek to reduce their number of core carriers. Our contract customers generally offer larger shipments, which increase our average LTL weight per LTL shipment. These customers often have a greater length of haul, which is consistent with our average length of haul increase to 937 miles in 2004 from 926 miles in 2003.

LTL revenue per LTL hundredweight increased to \$14.49 from \$13.80. Our tariffs and contracts generally provide for a fuel surcharge as diesel fuel prices increase above stated levels. This surcharge is recorded as additional revenue and is intended to offset significant fluctuations in the price of diesel fuel, which is one of the larger components of our operating supplies and expenses. Because of average higher fuel prices in 2004, the fuel surcharge increased to 6.3% of revenue from 4.4% in 2003. Excluding the fuel surcharge, LTL revenue per LTL hundredweight increased 2.9% to \$13.57 from \$13.19 in 2003, reflecting our ability to marginally improve overall pricing in 2004.

During the year, we opened 12 new service centers. In addition to these openings, we improved our direct service capabilities in Canada and initiated sales operations in Toronto and Montreal. While the expansion of our service center network and improvement in our service capabilities should provide a platform for future growth, these events did not have a significant impact on our annual results.

Density, as measured by increases in tonnage and concentrations of shipments moving through our route structure and service center network, generated efficiencies throughout our operations. As a result, we achieved reductions in salaries, wages and benefits as a percentage of revenue, which decreased to 56.9% in 2004 from 59.4% in 2003.

Driver wages decreased to 22.9% of revenue in 2004 from 24.0% for the prior year. We achieved a 2.0% improvement in P&D shipments handled per hour and a 1.7% increase in our laden load average for the year. We also experienced a similar reduction in platform labor, which decreased to 7.7% of revenue in 2004 from 8.0% for the prior year. Our fringe benefit costs increased slightly to 27.3% of payroll in 2004 from 27.0% for the prior year due primarily to increases in holiday, vacation and other paid time off.

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Operating supplies and expenses increased to 12.2% of revenue in 2004 from 10.8% in 2003. This increase was primarily due to a 56.1% increase in diesel fuel costs, excluding fuel taxes, resulting from increased fuel prices and an 18.5% increase in consumption. We currently do not use diesel fuel hedging instruments; therefore, we are subject to market price fluctuations. Our fuel surcharges, which decrease or are eliminated as fuel prices approach established base levels, effectively offset the increases in diesel fuel prices in 2004.

Insurance and claims expense, primarily consisting of premiums and self-insured costs for auto liability and cargo claims, increased to 3.2% of revenue in 2004 compared to 2.6% in 2003. We choose to self-insure a portion of our auto and cargo claims liabilities and obtain excess insurance coverage for claims above our retention levels. While cargo claims liabilities in 2004 remained relatively constant with 2003 experience, our auto liability claims experience under our retention level increased to 1.3% of revenue for 2004 compared to 0.7% in the prior year. This increase is due to both the number and severity of claims that were incurred during 2004 and to increases in reserves for claims incurred in prior years.

The focus on revenue growth in existing markets has provided opportunities to leverage our investments in property and equipment. As a result, depreciation and amortization expenses decreased to 5.4% of revenue in 2004 from 5.7% in 2003. In addition, building and office equipment rents decreased to 0.9% of revenue in 2004 from 1.1% in the prior year. As a result of greater service center utilization and improved density, our average revenue per service center increased 11.8% over the prior year.

We purchase transportation services from other motor carriers and railroads for linehaul and pickup and delivery services. We also contract with lease operators and lease tractors, trailers and other revenue producing equipment. We utilize these services when there are capacity restraints or imbalances of freight flow within our service center network or when it is economically beneficial. Purchased transportation increased to 3.6% of revenue in 2004 from 3.2% in 2003, primarily as a result of the increased use of purchased linehaul services, which increased to 1.0% of revenue in 2004 from 0.4% of revenue in 2003. We increased our utilization of these linehaul services in 2004 primarily to offset freight imbalances in our longer haul lanes.

Our revenue growth and density improvements in 2004 allowed us to successfully leverage our communication and utilities costs along with general supplies and expenses, which decreased to 4.7% of revenue in 2004 from 5.0% in 2003.

We applied the proceeds of \$19,753,000 from our third quarter 2004 stock offering to reduce outstanding debt on our credit facility. At year-end, long-term debt including current maturities was \$79,454,000 compared to \$97,426,000 at December 31, 2003, a decrease of \$17,972,000, or 18.4%. As a result, interest expense for 2004, net of interest income, decreased 13.7% to \$5,273,000 from \$6,111,000 in 2003. We also capitalized \$154,000 more interest during 2004 than the prior year, which also contributed to the decrease in net interest expense.

Our effective tax rate for 2004 was 39.6% compared to 39.1% in 2003.

2003 Compared to 2002

We produced a 17.8% increase in revenue in 2003 coupled with a 49.5% increase in net income for the year. Revenue increased to \$667,531,000 from \$566,459,000 in 2002, our second consecutive year of double-digit revenue growth and the eleventh in the thirteen years since our initial public offering in 1991. Our operating ratio decreased to 92.3% from 93.6% and net income for 2003 was \$27,600,000 compared to \$18,462,000 in 2002.

Most of our growth in 2003 can be attributed to market share gains in existing areas of our operations, which increased our density and resulted in lower incremental operating costs. Revenue per service center increased 13.7%, despite opening 9 additional service centers in 2003. These openings accounted for less than 4% of our increase in revenue in 2003, but enabled us to offer full-state coverage to all points in Arkansas, Louisiana and Missouri and increase our full-state coverage from 24 to 27 of the 38 states in which we provide direct service.

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Our LTL shipments increased 12.9% over 2002 and LTL tonnage increased 12.1%, both indicators of increased market share and an improving domestic economy. We also continued to benefit from the September 2, 2002, bankruptcy of Consolidated Freightways, a major national LTL carrier and one of our competitors. Our average length of haul increased to 926 miles from 903 in 2002, which is consistent with the longer haul freight that became available after the closure of Consolidated Freightways.

LTL Revenue per LTL shipment increased to \$142.57 from \$136.50 in 2002, an increase of 4.4%. This was due to a combination of a 5.2% increase in LTL revenue per hundredweight, partially offset by a 0.8% decrease in weight per shipment. Approximately 48% of our revenue was generated from public tariffs, which are generally reviewed on an annual basis with the most recent general price increase occurring on July 3, 2003. The remaining revenue base was generated from contractual agreements, typically one to two years in length, which are renegotiated as they near expiration. While the average LTL weight per LTL shipment was lower in 2003, we have seen consecutive monthly increases in this measurement since April 2003 and we believe this is yet another indicator of an improving economic climate as our customers are moving larger shipments through our network.

Our tariffs and contracts generally provide for a fuel surcharge as diesel fuel prices increase above stated levels. This surcharge is recorded as additional revenue and is intended to offset significant fluctuations in the price of diesel fuel, which is one of the larger components of our operating supplies and expenses. Because of average higher fuel prices in 2003, the fuel surcharge increased to 4.4% of revenue from 3.1% in 2002.

The market share increases we experienced in 2003 generated operating efficiencies and productivity gains throughout our operations, which is reflected in a decrease in our operating ratio to 92.3% from 93.6% in 2002. The benefit of increased freight density was particularly evident in the reduction in salaries, wages and benefits, which decreased to 59.4% of revenue in 2003 from 60.2% in 2002.

P&D wages decreased to 11.9% of revenue from 12.4% in 2002. A portion of these savings resulted from the rollout of our driver hand-held computers, which was completed by year-end 2003. These handheld computers provide direct communication between our drivers, service center personnel and other Old Dominion systems, which results in more efficient routings of our P&D fleet and increased productivity. For the comparable years, P&D shipments handled per hour increased 3.1% and P&D wages per shipment decreased slightly, despite an average hourly wage increase of approximately 2.5%.

Platform wages decreased to 8.0% of revenue in 2003 from 8.2% in 2002. This reduction was due to increased dock productivity partially due to the implementation of our Dock Yard Management system at most of our major facilities by year-end 2003. This system utilizes barcode technology to improve freight visibility throughout our systems and allow for faster and more efficient handling of freight. LTL weight per platform hour and LTL shipments per platform hour, both measures of dock productivity, increased 1.1% and 2.5%, respectively, in 2003 while platform wages per LTL hundredweight increased only 1.7% against an average hourly wage increase of 2.8%.

Reductions in P&D and platform wages were partially offset by an increase in linehaul wages to 12.1% of revenue from 12.0% in 2002. Linehaul miles increased 16.0%, due to increased business levels and a longer average length of haul, and average linehaul wages per mile increased 3.0%. Slight improvements in our linehaul load factor, the weight of shipments loaded onto trailers for each linehaul dispatch, was not sufficient to offset these additional costs.

Our fringe benefit costs increased to 27.0% of payroll in 2003 from 26.5% for the prior year due primarily to increases in workers' compensation expenses. We self-insure workers' compensation claims in a range between \$250,000 and \$1,000,000, depending upon the plan year and the state in which we are operating. We also carry excess coverage for claims in excess of these deductibles. In 2003, the combination of claims expense and insurance premiums was 3.9% of payroll compared to 3.2% in 2002, primarily due to anticipated settlement costs for our self-insured portion.

Diesel fuel costs, excluding fuel taxes, increased 41.7% over 2002 due to a 17.2% increase in consumption and increased costs per gallon. We did not use diesel fuel hedging instruments in 2003 or 2002; therefore, we were subject to market price fluctuations. We believe that our fuel surcharges, which decrease or are eliminated as fuel prices approach base levels, effectively offset the increases in diesel fuel prices in 2003.

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Net capital expenditures in 2003 were \$98,441,000, which included \$45,456,000 for purchases of tractors and trailers in addition to \$36,111,000 for purchases of service center facilities or capital improvements to existing service center facilities. These capital expenditures included the purchase of eleven service center facilities auctioned as a result of the September 2002 bankruptcy of Consolidated Freightways. As a result, depreciation and amortization expenses increased to 5.7% of revenue from 5.5% in 2002. As these properties replaced leased facilities, our building and office equipment rents decreased to 1.1% of revenue from 1.3% for the prior year.

Insurance and claims expense, primarily consisting of premiums and self-insured costs for auto liability and cargo claims, decreased to 2.6% of revenue in 2003 compared to 2.9% in 2002. Premiums for excess coverage above our self-insured retention levels generally increased over the prior year as a percentage of revenue. These additional costs were offset by favorable claims experience in our self-insured retention for both auto liability and cargo claims, resulting in a decline in our overall insurance costs in 2003.

Our revenue growth and density improvements in 2003 allowed us to successfully leverage other costs, including communication and utilities, general supplies and expenses, and miscellaneous expenses, which as a group declined to 5.5% of revenue from 6.5% in 2002. Expenses for uncollectible revenue, a component of miscellaneous expenses, decreased to 0.1% of revenue from 0.7% in 2002.

Interest expense for 2003, net of interest income, increased 6.5% to \$6,111,000 from \$5,736,000 in 2002. By year-end, we borrowed \$14,000,000 on our line of credit and an additional \$2,650,000 on other debt instruments; however, we made principal payments of \$12,447,000 on outstanding debt during the year, resulting in net borrowings of \$4,203,000 for 2003. Since average outstanding debt remained relatively constant for the comparable years, the increase in interest expense can be attributed to the decrease in the amount of interest that was capitalized in 2003, which was \$178,000 compared to \$699,000 in 2002.

Our effective tax rate for 2003 was 39.1% compared to 39.0% in 2002.

Liquidity and Capital Resources

Expansion in both the size and number of service center facilities, our planned tractor and trailer replacement cycle and revenue growth have required continued investment in real estate and equipment. In order to support these requirements, we incurred net capital expenditures of \$92,106,000 during 2004. Cash and cash flows generated internally funded approximately 98% of these expenditures. At December 31, 2004, long-term debt including current maturities decreased to \$79,454,000 from \$97,426,000 at December 31, 2003, primarily due to the application of the proceeds from our third quarter 2004 stock offering to outstanding debt on our credit facility.

We estimate net capital expenditures, including the WSKT selected asset purchase, to be approximately \$145,000,000 to \$155,000,000 for the year ending December 31, 2005. Of that, approximately \$102,000,000 is allocated for the purchase of tractors and trailers; \$27,000,000 is allocated for the purchase of service center facilities, construction of new service center facilities or expansion of existing service center facilities; \$11,000,000 is allocated for investments in technology; and the balance is allocated for other assets. We plan to fund these capital expenditures primarily through cash flows from operations supplemented by additional borrowings.

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The table below sets forth our net capital expenditures for the years ended December 31, 2004, 2003, and 2002:

<i>(In thousands)</i>	Year Ended December 31,		
	2004	2003	2002
Land and structures	\$20,676	\$36,111	\$21,637
Tractors	35,932	32,710	22,900
Trailers	20,887	12,746	8,800
Technology	10,034	14,917	7,840
Other	6,170	5,419	8,815
Proceeds from sale	(1,593)	(3,462)	(887)
Total	\$92,106	\$98,441	\$69,105

We entered into an unsecured revolving credit agreement dated June 30, 2003 with lenders consisting of Wachovia Bank, National Association; Bank of America, N.A.; and Branch Banking and Trust Company, with Wachovia as agent for the lenders. This three-year facility, as amended, consists of \$80,000,000 in line of credit commitments from the lenders, all of which are available for revolving loans. In addition, of that \$80,000,000 line of credit, \$40,000,000 may be used for letters of credit and \$10,000,000 may be used for borrowings under Wachovia's sweep program. The sweep program is a daily cash management tool that automatically initiates borrowings to cover overnight cash requirements up to an aggregate of \$10,000,000 or initiates overnight investments for excess cash balances. Revolving loans under the facility bear interest at either: (a) an applicable margin plus the higher of Wachovia's prime rate or one-half of one percentage point over the federal funds rate (the "Adjusted Base Rate"); or (b) LIBOR plus an applicable margin (the "Adjusted LIBOR Rate"). The applicable margin varies depending upon our ratio of adjusted debt to capital. In the case of the Adjusted Base Rate, the applicable margin ranges from 0% to 0.25%. In the case of the Adjusted LIBOR Rate, the applicable margin ranges from 0.75% to 1.25%. The applicable margin under this agreement for 2004 for the Adjusted Base Rate and the Adjusted LIBOR Rate was 0% and 1.0%, respectively. Revolving loans under the sweep program bear interest at the aggregate rate applicable under the sweep program plus the Adjusted LIBOR Rate.

Quarterly fees ranging from 0.20% to 0.30% are charged on the aggregate unused portion of the facility determined by our ratio of adjusted debt to capital. The applicable rate for the periods under this agreement in 2004 was 0.25%. Quarterly fees are charged on the aggregate undrawn portion of outstanding letters of credit at a rate ranging from 0.75% to 1.25%, which was 1.0% in 2004 as determined by our ratio of adjusted debt to capital. In addition, a quarterly facing fee at an annual rate of 0.125% was charged on the aggregate undrawn portion of outstanding letters of credit.

The June 2003 credit facility contains customary covenants, including financial covenants that require us to observe a maximum ratio of adjusted debt to capital, to maintain a minimum fixed charge coverage ratio and to maintain a minimum consolidated tangible net worth. Our wholly owned subsidiary guaranteed payment of all of our obligations under the facility. Future wholly owned subsidiaries would be required to guarantee payment of all of our obligations under the facility. At December 31, 2004, there was \$17,333,000 outstanding on the line of credit facility and there was \$31,047,000 outstanding on the standby letter of credit facility.

We had three senior note agreements outstanding totaling \$53,714,000 at December 31, 2004. These notes call for periodic principal payments with maturities ranging from 2005 to 2008, of which \$16,607,000 is due in 2005. Interest rates on these notes are fixed and range from 6.35% to 7.59%.

Our senior notes and credit agreement limit the amount of dividends that may be paid to shareholders pursuant to certain financial ratios. At December 31, 2004, our credit agreement was the most restrictive and limited the amount of dividends that could be paid to shareholders to the difference between our current tangible net worth, which is defined as shareholders' equity plus intangible assets, and the sum of \$198,000,000 and 50% of cumulative net income since March 31, 2003. We did not declare or pay a dividend on our common stock in 2004, and we have no plans to declare or pay a dividend in 2005.

We have a term loan with principal outstanding of \$6,636,000 as of December 31, 2004, which was used to purchase 300 tractors. The term loan consists of 48-month term notes secured by the purchased

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equipment pursuant to a security agreement with the lender. The notes call for equal monthly payments of principal and interest and mature in 2006, of which \$4,141,000 in principal is due within the next 12 months. The interest rates on the notes are fixed and range from 4.21% to 4.39%. The term loan agreement contains customary affirmative and negative covenants. The term notes originally incorporated by reference the financial covenants from our May 2000 credit facility and were amended to incorporate by reference our financial covenants under our June 2003 facility.

With the exception of the line of credit, interest rates are fixed on all of our debt instruments. Therefore, short-term exposure to fluctuations in interest rates is limited to our line of credit facility, which had an outstanding balance of \$17,333,000 at December 31, 2004. We do not currently use interest rate derivative instruments to manage exposure to interest rate changes. Also, we do not use fuel hedging instruments, as our tariff provisions and contracts generally allow for fuel surcharges to be implemented in the event that fuel prices exceed stipulated levels.

A significant decrease in demand for our services could limit our ability to generate cash flow and affect profitability. Most of our debt agreements have covenants that require stated levels of financial performance, which if not achieved could cause acceleration of the payment schedules. We do not anticipate a significant decline in business levels or financial performance, and we believe the combination of our existing credit facilities along with our additional borrowing capacity will be sufficient to meet seasonal and long-term capital needs.

On February 25, 2005, we entered into a Note Purchase Agreement with Allstate Life Insurance Company, Allstate Life Insurance Company of New York, New York Life Insurance Company, New York Life Insurance and Annuity Corporation, United of Omaha Life Insurance Company, PRU & Co. (as nominee for Prudential Retirement Insurance and Annuity Company), UMBTRU & Co. (as nominee for Security Benefit Life Insurance Company, Inc.) and Metropolitan Life Insurance Company. Under this agreement, we issued \$50,000,000 of privately-placed Series A Senior Notes, Tranche A on February 25, 2005 and will issue an additional \$25,000,000 of privately-placed Series A Senior Notes, Tranche B on May 25, 2005 (the "Series A Notes"). The Series A Notes bear an interest rate of 4.68% and a maturity date of February 25, 2015. The Series A Notes call for semi-annual interest payments beginning on August 25, 2005 and seven equal annual principal prepayments commencing on February 25, 2009. The proceeds from this agreement were used to refinance existing indebtedness and for general corporate purposes. The Note Purchase Agreement may also serve as the platform for potential future private note issuances by the Company. The aggregate principal amount of all notes issued pursuant to the Note Purchase Agreement, including the Series A Notes, shall not exceed \$300,000,000. The applicable interest rate and payment schedules for any new notes will be determined and mutually agreed upon at the time of issuance.

Pursuant to the February 25, 2005 Note Purchase Agreement, our wholly owned subsidiary executed a Subsidiary Guaranty Agreement, dated as of February 25, 2005, for the benefit of the note holders, which provides that the subsidiary will absolutely, unconditionally and irrevocably guarantee the full payment of all amounts due from the Company and the performance of all of the Company's obligations, agreements and covenants under the Note Purchase Agreement. As part of the financing, we also entered into a Second Amendment, dated as of February 25, 2005, to our revolving credit agreement, which amended the covenants contained in the credit agreement concerning debt limitations to permit the incurrence of debt under the Series A Notes.

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The following table summarizes our significant contractual obligations and commercial commitments as of December 31, 2004:

<u>Contractual obligations (1)</u>	<u>Payments due by period (in thousands)</u>				
	<u>Total</u>	<u>Less than 1 year</u>	<u>1-3 years</u>	<u>3-5 years</u>	<u>More than 5 years</u>
Long-term debt	\$ 77,776	\$ 20,841	\$45,435	\$11,500	\$ —
Capital lease obligations	1,678	1,189	326	163	—
Operating leases	28,826	10,512	11,011	2,634	4,669
Total	\$108,280	\$ 32,542	\$56,772	\$14,297	\$ 4,669

<u>Other commercial commitments (2)</u>	<u>Amount of commitment expiration per period (in thousands)</u>				
	<u>Total amounts committed</u>	<u>Less than 1 year</u>	<u>1-3 years</u>	<u>3-5 years</u>	<u>More than 5 years</u>
Standby letters of credit	\$ 31,047	\$ 31,047	—	—	—
Total	\$ 31,047	\$ 31,047	—	—	—

- (1) Contractual obligations include long-term debt consisting primarily of senior notes totaling \$53,714,000; capital lease obligations for trailers and computer equipment; and operating leases primarily consisting of real estate leases.
- (2) Other commercial commitments consist of standby letters of credit used as collateral for self-insured retention of insurance claims.

Critical Accounting Policies

In preparing our consolidated financial statements, we apply the following critical accounting policies that affect judgments and estimates of amounts recorded in certain assets, liabilities, revenue and expenses:

Revenue and Expense Recognition - We recognize revenue based upon when our transportation services have been completed in accordance with the bill of lading contract, our general tariff provisions or contractual agreements with our customers. Generally, this occurs when we complete the delivery of a shipment. For transportation services not completed at the end of a reporting period, we use a percentage of completion method to allocate the appropriate revenue to each separate reporting period. Under this method, we develop a factor for each uncompleted shipment by dividing the actual number of days in transit at the end of a reporting period by that shipment's standard delivery time schedule. This factor is applied to the total revenue for that shipment and revenue is allocated between reporting periods accordingly.

Expenses are recognized when incurred.

Allowance for Uncollectible Accounts - We maintain an allowance for uncollectible accounts for estimated losses resulting from the inability of our customers to make required payments. If the financial condition of our customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

Claims and Insurance Accruals - Claims and insurance accruals reflect the estimated unpaid cost of claims, including amounts for claims incurred but not reported, for cargo loss and damage, bodily injury and property damage, workers' compensation, long-term disability and group health not covered by insurance. These costs are charged to insurance and claims expense except for workers' compensation, long-term disability and group health, which are charged to employee benefits expense.

We are currently self-insured for bodily injury and property damage claims up to \$2,000,000 per occurrence. Cargo loss and damage claims are self-insured up to \$100,000. We are self-insured for workers' compensation in certain states and have first dollar or high deductible plans in the remaining

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states with self-insured retention levels ranging from \$250,000 to \$1,000,000. Group health claims are self-insured up to \$300,000 per occurrence and long-term disability claims are self-insured to a maximum per individual of \$3,000 per month.

Insurers providing excess coverage above retention levels adjust their premiums to cover insured losses and for other market factors. As a result, we periodically evaluate our self-insured retention levels to determine the most cost efficient balance of self-insurance and excess coverage.

In establishing accruals for claims and insurance expenses, we evaluate and monitor each claim individually, and we use factors such as historical experience, known trends and third-party estimates to determine the appropriate reserves for potential liability. We believe the assumptions and methods used to estimate these liabilities are reasonable; however, changes in the severity of previously reported claims, significant changes in the medical costs and legislative changes affecting the administration of our plans could significantly impact the determination of appropriate reserves in future periods.

Goodwill - The excess cost over net assets acquired in connection with acquisitions, or goodwill, is recorded in "Other Assets". We completed the annual analysis of our intangible assets, required by Statement of Financial Accounting Standard No. 142, *Goodwill and Other Intangible Assets* ("SFAS 142"), on our annual measurement date of October 1, 2004, and determined that there was no impairment of intangible assets. At December 31, 2004, goodwill totaled \$10,648,000.

Property and Equipment - Property and equipment are recorded at cost and depreciated on a straight-line basis over their estimated economic lives. Management uses historical experience, certain assumptions and estimates in determining the economic life of each asset. Periodically, we review property and equipment for impairment to include changes in operational and market conditions, and we adjust the carrying value and economic life of any impaired asset as appropriate. Currently, estimated economic lives for structures are 7 to 30 years; revenue equipment is 4 to 12 years; other equipment is 2 to 20 years; and leasehold improvements are the lesser of the economic life of the leasehold improvement or the life of the lease. The use of different assumptions, estimates or significant changes in the resale market for our equipment could result in material changes in the carrying value of our assets.

Inflation

Most of our expenses are affected by inflation, which generally results in increased operating costs. In response to fluctuations in the cost of petroleum products, particularly diesel fuel, we have implemented a fuel surcharge in our tariffs and contractual agreements. The fuel surcharge is designed to offset the cost of fuel above a base price and increases as fuel prices escalate over the base. For the past three years, the net effect of inflation on our results of operations was minimal.

Related Party Transactions

Family relationships

Each of Earl E. Congdon, John R. Congdon, David S. Congdon, John R. Congdon, Jr. and John B. Yowell are related to one another and serves in various executive management positions and/or on our Board of Directors. In addition, except for Mr. Yowell, each of them beneficially owns more than 5% of our common stock. In 2004, we entered into employment agreements with Earl E. Congdon, John R. Congdon, David S. Congdon and John B. Yowell, which are filed as exhibits to our annual report on Form 10-K. We regularly disclose the amount of compensation that we pay to these individuals in the proxy statement for our annual meeting of shareholders.

Transactions with Old Dominion Truck Leasing, Inc.

Old Dominion Truck Leasing, Inc. ("Leasing"), a North Carolina corporation whose voting stock is owned by the Earl E. Congdon Intangibles Trust, David S. Congdon, Trustee, the John R. Congdon Revocable Trust and members of Earl E. Congdon's and John R. Congdon's families, is engaged in the business of purchasing and leasing tractors, trailers and other vehicles. John R. Congdon is Chairman of the Board of Leasing, and Earl E. Congdon is Vice Chairman of the Board of Leasing. Since 1986, we have combined our requirements with Leasing for the purchase of tractors, trailers, equipment, parts, tires and fuel. We believe that, by combining our requirements, we are often able to obtain pricing discounts because of the increased level of purchasing. While this arrangement is beneficial to us, our management believes that the termination of this relationship would not have a material adverse impact on our financial results.

For the years ended December 31, 2004, 2003 and 2002, we charged Leasing \$7,000, \$39,000 and \$14,000, respectively, for vehicle repair, maintenance and other services, which we provide to Leasing at cost plus a negotiated markup. In addition, we charged Leasing \$12,000 annually in 2004, 2003 and 2002, for rental of a vehicle maintenance facility located in Chesapeake, Virginia. On March 15, 2003, we entered into an agreement to sublease a vehicle maintenance facility in South Bend, Indiana, to Leasing for which we charged \$12,000 in 2004 and \$10,000 in 2003.

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We purchased \$346,000, \$266,000 and \$297,000 of maintenance and other services from Leasing in 2004, 2003 and 2002, respectively. We believe that the prices we pay for such services are lower than would be charged by unaffiliated third parties for the same quality of work, and we intend to continue to purchase maintenance and other services from Leasing, provided that Leasing's prices continue to be favorable to us. We also paid Leasing \$2,000 for leased equipment in 2004, but did not lease any equipment from Leasing in 2003 or 2002.

On January 4, 2002, we purchased 91 1997 model pickup and delivery trailers from Leasing for an aggregate purchase price of \$774,000. We also purchased one trailer from Leasing on May 1, 2003, for a purchase price of \$8,000.

Transactions with E & J Enterprises

On July 29, 2002, our Board of Directors approved the purchase of 163 trailers for \$1,200 each, or a total of \$195,600, from E & J Enterprises ("E&J"), a Virginia general partnership of which Earl E. Congdon, our Chief Executive Officer and Chairman of our Board of Directors, and John R. Congdon, Vice Chairman of our Board of Directors, are each 50% owners. These trailers had been leased to us by E&J since 1988 pursuant to a term lease that converted to a month-to-month lease in 1999. At year-end 2002, we had completed the purchase of 50 of these trailers for a purchase price of \$60,000. During the first quarter 2003, we continued to lease the remaining 113 trailers on a month-to-month basis until we completed the purchase of those trailers in March 2003 for a purchase price of \$135,600. Also in March 2003, we purchased an additional 10 trailers from E&J for \$5,000 each for a total purchase price of \$50,000.

On July 29, 2002, our Board of Directors also approved the leasing from E&J of 150 pickup and delivery trailers on a month-to-month basis for \$204 per month for each trailer. On December 1, 2003, we purchased these 150 trailers for an aggregate purchase price of \$907,000, thereby ending all lease activity with E&J.

There were no lease agreements in effect with E&J during 2004. The total amount paid to E&J for all trailers under lease was \$357,000 and \$387,000 for 2003 and 2002, respectively.

In December 1988, we sold E&J certain tracts of unimproved land and a vacant service center facility in exchange for a receivable in the amount of \$579,798. In December 2003, E&J paid the remaining receivable balance of \$195,677, which effectively ended this related party transaction.

Greensboro, NC Service Center Purchase

On October 15, 2002, we purchased a 116-door service center facility and shop located in Greensboro, N.C. for \$6,000,000 from an irrevocable trust created for the benefit of the families of Earl E. Congdon, our Chief Executive Officer and Chairman of our Board of Directors, and John R. Congdon, Vice Chairman of our Board of Directors. Prior to our purchase, this property was leased to us with payments totaling \$285,000 in 2002. The purchase of this property ended all related party transactions between this trust and the Company.

Disposition of Certain Split Dollar Life Insurance Policies

Prior to December 31, 2003, five split-dollar life insurance agreements to which we were a party terminated. Two of these agreements involved policies administered by Aurora Life Insurance Company. One policy insured the life of Earl E. Congdon and the second insured the life of John R. Congdon. Each policy was owned by the wife of the insured. The owners assigned their interests in the policies to us as payment in full for any obligations owed by them pursuant to the split dollar agreements. As a result of the assignments, we currently own both policies and currently hold them as key man life insurance on Earl. E. Congdon and John R. Congdon.

A third split-dollar agreement involved a policy administered by The Prudential Insurance Company of America insuring the joint lives of Earl E. Congdon and Kathryn Congdon. The policy was owned by Earl Congdon's children. Under the Prudential split-dollar agreement, the owners had the right to terminate the split-dollar agreement upon payment to us of the total amount of premiums paid by us on the policy less any amounts previously reimbursed. In exercise of that right, the owners terminated the split-dollar agreement in December 2003 and paid to us \$595,137. All of this amount represented premiums previously advanced on the insured's behalf. We no longer own any interest in the Prudential policy.

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The final two split-dollar agreements involved policies administered by American General Life of Houston, Texas. One policy insured the joint lives of Earl E. Congdon and Kathryn Congdon and the second insured the joint lives of Jack Congdon and Natalie Congdon. Each policy was owned by a family limited partnership. Under each American General split-dollar agreement, the owners had the right to terminate the split-dollar agreement upon payment to us of the total amount of premiums paid by us on the policy less any amounts previously reimbursed. In exercise of that right, the owner of the American General split-dollar agreement for Earl and Kathryn Congdon terminated that agreement and in December 2003 paid to us \$1,367,678 and the owner of the American General split-dollar agreement for Jack and Natalie Congdon terminated that agreement and paid to us \$1,373,626. All of these amounts represented premiums previously advanced on the insured's behalf. We no longer own any interest in the American General policies.

Audit Committee Approval

The Audit Committee of our Board of Directors reviewed and approved all related party transactions.

Forward-Looking Information

Forward-looking statements in this report, including, without limitation, statements relating to future events or our future financial performance, appear in the preceding Management's Discussion and Analysis of Financial Condition and Results of Operations and in other written and oral statements made by or on behalf of us, including, without limitation, statements relating to our goals, strategies, expectations, competitive environment, regulation and availability of resources. Such forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Investors are cautioned that such forward-looking statements involve risks and uncertainties that could cause actual events and results to be materially different from those expressed or implied herein, including, but not limited to, the risk factors detailed in this Annual Report.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risk represents the risk of loss that may impact the consolidated financial position, results of operations and cash flows due to adverse changes in financial market prices and rates.

We are exposed to interest rate risk directly related to our bank credit lines, which have variable interest rates. The average principal balance and effective interest rate under this agreement in 2004 was \$22,472,000 and 2.48%, respectively. A 100 basis point increase in the average interest rate on this agreement would have no material effect on our operating results. We have established policies and procedures to manage exposure to market risks and use major institutions that are creditworthy to minimize credit risk.

We are also exposed to commodity price risk related to diesel fuel prices and have established policies and procedures to manage our exposure to such risk.

For further discussion related to these risks, see Note 2 to the consolidated financial statements and "Management's Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital Resources" included in Item 7.

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ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

OLD DOMINION FREIGHT LINE, INC.
CONSOLIDATED BALANCE SHEETS

	December 31,	
	2004	2003
<i>(In thousands, except share data)</i>		
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 742	\$ 1,051
Customer receivables, less allowances of \$8,109 and \$7,388, respectively	94,495	73,036
Other receivables	2,543	2,542
Tires on equipment	10,551	8,833
Prepaid expenses	14,238	11,369
Deferred income taxes	4,602	4,539
Total current assets	127,171	101,370
Property and equipment:		
Revenue equipment	311,405	263,698
Land and structures	198,194	177,597
Other fixed assets	84,941	70,146
Leasehold improvements	1,103	1,584
Total property and equipment	595,643	513,025
Less accumulated depreciation	(232,375)	(197,257)
Net property and equipment	363,268	315,768
Other assets	18,928	17,421
Total assets	\$ 509,367	\$ 434,559
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 28,126	\$ 12,185
Compensation and benefits	20,382	19,626
Claims and insurance accruals	22,051	17,742
Other accrued liabilities	4,491	4,603
Income taxes payable	1,374	1,736
Current maturities of long-term debt	22,030	22,440
Total current liabilities	98,454	78,332
Long-term debt	57,424	74,986
Other non-current liabilities	22,646	17,437
Deferred income taxes	39,315	31,263
Total long-term liabilities	119,385	123,686
Total liabilities	217,839	202,018
Shareholders' equity:		
Common stock - \$0.10 par value, 70,000,000 shares authorized, 24,845,235 shares outstanding at December 31, 2004 and 25,000,000 authorized, 24,089,028 shares outstanding at December 31, 2003	2,485	2,409
Capital in excess of par value	92,088	72,169
Retained earnings	196,955	157,963
Total shareholders' equity	291,528	232,541
Commitments and contingencies	—	—
Total liabilities and shareholders' equity	\$ 509,367	\$ 434,559

The accompanying notes are an integral part of these financial statements.

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OLD DOMINION FREIGHT LINE, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS

<i>(In thousands, except share and per share data)</i>	Year ended December 31,		
	2004	2003	2002
Revenue from operations	\$ 824,051	\$ 667,531	\$ 566,459
Operating expenses:			
Salaries, wages and benefits	468,775	396,521	340,820
Operating supplies and expenses	100,660	72,084	56,309
General supplies and expenses	27,450	22,991	20,801
Operating taxes and licenses	31,286	26,627	22,681
Insurance and claims	26,095	17,583	16,313
Communications and utilities	11,541	10,511	10,236
Depreciation and amortization	44,823	38,210	31,081
Purchased transportation	29,443	21,389	18,873
Building and office equipment rents	7,531	7,403	7,435
Miscellaneous expenses, net	5,839	2,996	5,624
Total operating expenses	753,443	616,315	530,173
Operating income	70,608	51,216	36,286
Other deductions:			
Interest expense, net	5,273	6,111	5,736
Other expense (income), net	748	(192)	285
Total other deductions	6,021	5,919	6,021
Income before income taxes	64,587	45,297	30,265
Provision for income taxes	25,595	17,697	11,803
Net income	\$ 38,992	\$ 27,600	\$ 18,462
Basic and diluted earnings per share	\$ 1.60	\$ 1.15	\$ 0.95
Weighted average shares outstanding:			
Basic	24,406,831	24,066,941	19,408,203
Diluted	24,423,397	24,094,670	19,427,532

The accompanying notes are an integral part of these financial statements.

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OLD DOMINION FREIGHT LINE, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

<i>(In thousands)</i>	<u>Common Stock</u>		Capital in excess of par value	Retained earnings	Total
	Shares	Amount			
Balance as of December 31, 2001	18,704	\$1,871	\$22,867	\$111,901	\$136,639
Net income	—	—	—	18,462	18,462
Sale of common stock	5,184	518	47,360	—	47,878
Exercise of common stock options	79	8	576	—	584
Balance as of December 31, 2002	23,967	2,397	70,803	130,363	203,563
Net income	—	—	—	27,600	27,600
Exercise of common stock options	122	12	954	—	966
Tax benefit from exercise of common stock options	—	—	412	—	412
Balance as of December 31, 2003	24,089	2,409	72,169	157,963	232,541
Net income	—	—	—	38,992	38,992
Sale of common stock	736	74	19,679	—	19,753
Exercise of common stock options	20	2	169	—	171
Tax benefit from exercise of common stock options	—	—	71	—	71
Balance as of December 31, 2004	24,845	\$2,485	\$92,088	\$196,955	\$291,528

The accompanying notes are an integral part of these financial statements.

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OLD DOMINION FREIGHT LINE, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

<i>(In thousands)</i>	Year ended December 31,		
	2004	2003	2002
Cash flows from operating activities:			
Net income	\$ 38,992	\$ 27,600	\$ 18,462
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	44,823	38,210	31,081
Deferred income taxes	7,989	4,539	2,277
(Gain) loss on sale of property and equipment	(216)	297	387
Changes in assets and liabilities:			
Customer and other receivables, net	(21,460)	(7,573)	(15,847)
Tires on equipment	(1,718)	(845)	(642)
Prepaid expenses and other assets	(4,377)	5,932	(3,217)
Accounts payable	15,941	(4,656)	3,042
Compensation, benefits and other accrued liabilities	644	6,222	5,031
Claims and insurance accruals	7,998	2,380	4,057
Income taxes payable	(291)	2,148	(425)
Other liabilities	1,520	810	134
Net cash provided by operating activities	89,845	75,064	44,340
Cash flows from investing activities:			
Purchase of property and equipment	(93,699)	(101,903)	(69,992)
Proceeds from sale of property and equipment	1,593	3,462	887
Net cash used in investing activities	(92,106)	(98,441)	(69,105)
Cash flows from financing activities:			
Proceeds from issuance of long-term debt	815	2,650	17,129
Principal payments under long-term debt agreements	(22,120)	(12,447)	(10,068)
Net proceeds (payments) on revolving line of credit	3,333	14,000	(12,260)
Proceeds from stock issuance	19,753	—	47,878
Proceeds from conversion of stock options	171	966	584
Net cash provided by financing activities	1,952	5,169	43,263
(Decrease) increase in cash and cash equivalents	(309)	(18,208)	18,498
Cash and cash equivalents at beginning of period	1,051	19,259	761
Cash and cash equivalents at end of period	\$ 742	\$ 1,051	\$ 19,259

Cash paid for interest was approximately \$5,910,000, \$6,535,000 and \$6,419,000 for the years ended December 31, 2004, 2003 and 2002, respectively. Interest of \$332,000, \$178,000 and \$699,000 was capitalized during 2004, 2003 and 2002, respectively.

The accompanying notes are an integral part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Significant Accounting Policies

Business

We are a less-than-truckload multi-regional motor carrier providing one to five day service among five regions in the United States and next-day and second-day service within these regions. At December 31, 2004, we provided 100% full-state coverage to 29 of the 40 states that we served directly within the Southeast, South Central, Northeast, Midwest and West regions of the country. Through marketing and carrier relationships, Old Dominion Freight Line, Inc. and its subsidiary also provided service to and from the remaining states as well as international services around the globe.

Basis of Presentation

The consolidated financial statements include the accounts of Old Dominion Freight Line, Inc. and its wholly owned subsidiary. All significant intercompany balances and transactions are eliminated in consolidation.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates.

Certain amounts in prior years have been reclassified to conform prior years' financial statements to the current presentation.

Unless the context requires otherwise, references in these Notes to "Old Dominion", the "Company", "we", "us" and "our" refer to Old Dominion Freight Line, Inc. and its subsidiary on a consolidated basis.

Segments

We operate one business segment and have no customer that exceeds 10% of our operating revenue.

Revenue and Expense Recognition

We recognize revenue based upon when our transportation services have been completed in accordance with the bill of lading contract, our general tariff provisions or contractual agreements with our customers. Generally, this occurs when we complete the delivery of a shipment. For transportation services not completed at the end of a reporting period, we use a percentage of completion method to allocate the appropriate revenue to each separate reporting period. Under this method, we develop a factor for each uncompleted shipment by dividing the actual number of days in transit at the end of a reporting period by that shipment's standard delivery time schedule. This factor is applied to the total revenue for that shipment and revenue is allocated between reporting periods accordingly.

Expenses are recognized when incurred.

Allowance for Uncollectible Accounts

We maintain an allowance for uncollectible accounts for losses resulting from the estimated inability of our customers to make required payments. If the financial condition of our customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of customer receivables. Credit risk is generally diversified due to the large number of entities comprising our customer base and their dispersion across many different industries and geographic regions.

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Cash and Cash Equivalents

We consider cash on hand and deposits in banks along with certificates of deposit and short-term marketable securities with original maturities of three months or less as cash and cash equivalents.

Tires on Equipment

The cost of tires on equipment is amortized over the estimated tire life of 18 to 24 months.

Property and Equipment

Property and equipment is stated at cost. Major additions and improvements are capitalized, while maintenance and repairs that do not improve or extend the lives of the respective assets are charged to expense as incurred.

Depreciation is provided by the straight-line method over the following estimated useful lives:

Structures	7 to 30 years
Revenue equipment	4 to 12 years
Other equipment	2 to 20 years
Leasehold improvements	Lesser of economic life or life of lease

Depreciation expense, which includes the amortization of capital leases, was \$44,822,000, \$38,203,000 and \$31,075,000 for 2004, 2003 and 2002, respectively.

Goodwill and Other Intangible Assets

The excess cost over net assets acquired in connection with acquisitions is recorded in "Other Assets", which was \$10,648,000 at December 31, 2004 and 2003.

In accordance with Statement of Financial Accounting Standard ("SFAS") No. 142, *Goodwill and Other Intangible Assets*, effective January 1, 2002, goodwill is no longer amortized, but instead is subject to an impairment test on an annual measurement date. The initial step in testing for goodwill impairment is to compare the fair value of each reporting unit with its book value. To the extent the fair value is less than book value, which would indicate the potential that impairment of goodwill exists, a second test is required to determine the amount of impairment. We completed the required annual analysis of our intangible assets on our annual measurement date of October 1, 2004, and determined that there was no impairment of intangible assets.

Long-Lived Assets

We periodically assess the realizable value of our long-lived assets and evaluate such assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable.

Claims and Insurance Accruals

We are self-insured for bodily injury and property damage claims up to \$2,000,000 per occurrence and cargo claims are self-insured up to \$100,000 per occurrence. We are also self-insured for workers' compensation in certain states, and we have first dollar or high deductible plans in the other states. Our workers' compensation retention levels range from \$250,000 to \$1,000,000 depending on the plan year. Group health claims are self-insured up to \$300,000 per occurrence and long-term disability claims are self-insured to a maximum per individual of \$3,000 per month.

Claims and insurance accruals reflect the estimated unpaid cost of claims, including amounts for claims incurred but not reported, for cargo loss and damage, bodily injury and property damage, workers' compensation, long-term disability and group health not covered by insurance. These costs are charged to insurance and claims expense except for workers' compensation, long-term disability and group health, which are charged to employee benefits expense.

We reserved \$39,517,000 and \$31,518,000 at December 31, 2004 and 2003, respectively, for self-insured claims and insurance reserves on our Consolidated Balance Sheets. The long-term portions of those reserves were \$17,466,000 and \$13,776,000 for 2004 and 2003, respectively, which were included in "Other non-current liabilities".

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Advertising

The costs of advertising our services are expensed as incurred. Advertising costs charged to expense amounted to \$2,410,000, \$2,160,000 and \$1,906,000 for 2004, 2003 and 2002, respectively.

Earnings Per Share

Net income per common share is computed using the weighted average number of common shares outstanding during the period. The effect of dilutive employee stock options in Note 7 is immaterial to the calculation of diluted earnings per share for the years ended December 31, 2004, 2003 and 2002.

Fair Values of Financial Instruments

At December 31, 2004 and 2003, the carrying values of financial instruments such as cash and cash equivalents, customer and other receivables, trade payables and long-term debt approximated their fair values. The fair value of cash and cash equivalents, customer and other receivables and trade payables approximates the carrying value due to the short maturities of these instruments. The fair value of our long-term debt is determined using quoted market prices for debt of the same remaining maturity and other characteristics.

Stock Based Compensation

Effective December 31, 2002, Old Dominion adopted the prospective method of transition of SFAS No. 148, *Accounting for Stock-Based Compensation — Transition and Disclosure, an amendment of SFAS No. 123*. Stock based compensation expense for our employee stock option plan that was granted prior to January 1, 2003 continues to be recognized under the provisions of Accounting Principles Board Opinion No. 25, *Accounting for Stock Issued to Employees* (“APB 25”), and related interpretations. Consistent with APB 25, the exercise price of our employee stock options equals the market price of the underlying stock on the date of grant; therefore, no compensation expense is recognized. Pro forma information regarding net income and earnings per share required by SFAS No. 123, *Accounting for Stock-Based Compensation*, as amended, is not significant.

Common Stock Split

On May 19, 2003, the Board of Directors approved a three-for-two common stock split for shareholders of record as of the close of business on June 4, 2003. On June 16, 2003, those shareholders received one additional share of common stock for every two shares owned.

On April 20, 2004, the Board of Directors approved a three-for-two common stock split for shareholders of record as of the close of business on May 6, 2004. On May 20, 2004, those shareholders received one additional share of common stock for every two shares owned.

All references in this report to shares outstanding, weighted average shares outstanding and earnings per share amounts have been restated retroactively for these stock splits.

Recent Accounting Pronouncements

On December 16, 2004, the Financial Accounting Standards Board (“FASB”) issued SFAS No. 123 (revised 2004), *Share-Based Payment*, which is a revision of SFAS No. 123, *Accounting for Stock-Based Compensation*. This Statement supersedes APB Opinion No. 25, *Accounting for Stock Issued to Employees*, and amends SFAS No. 95, *Statement of Cash Flows*. Generally the approach in SFAS No. 123(R) is similar to the approach described in SFAS No. 123. However, SFAS No. 123(R) requires all share-based payments to employees, including grants of employee stock options, to be recognized in the income statement based on their fair values. Pro forma disclosure is no longer an alternative. SFAS No. 123(R) will be effective July 1, 2005. Old Dominion does not expect the adoption of SFAS No. 123(R) to have a material impact on its financial position, results of operation or cash flows.

On December 16, 2004, the FASB issued SFAS No. 153, *Exchanges of Nonmonetary Assets, an amendment of APB Opinion No. 29*. This Statement is based on the principal that exchanges of nonmonetary assets should be accounted for on the fair value of the assets exchanged, unless the exchange lacks commercial substance. Under APB Opinion No. 29, an exchange of a productive asset for a similar productive asset was based on the recorded amount of the asset relinquished. SFAS No. 153 is effective for nonmonetary asset exchanges occurring in fiscal periods beginning after June 15, 2005, the provisions of which are applied prospectively. Old Dominion does not expect the adoption of SFAS No. 153 to have a material impact on its financial position, results of operation or cash flows.

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Note 2. Long-term Debt

Long-term debt consisted of the following:

<i>(In thousands)</i>	December 31,	
	2004	2003
Senior notes	\$53,714	\$70,822
Revolving credit facility	17,333	14,000
Equipment and other obligations, principal payable in monthly installments plus interest ranging from 4.21% to 4.77%	6,729	10,603
Capitalized lease obligations	1,678	2,001
	79,454	97,426
Less current maturities	22,030	22,440
	\$57,424	\$74,986

We have three unsecured senior note agreements with interest rates ranging from 6.35% to 7.59%. These notes require periodic principal payments with maturities ranging from 2005 to 2008. On February 25, 2005, we executed a note purchase agreement to obtain additional financing through the issuance of senior notes. For additional information on these senior notes, see Note 9, "Subsequent Events".

We entered into an unsecured revolving credit agreement dated June 30, 2003 with lenders consisting of Wachovia Bank, National Association; Bank of America, N.A.; and Branch Banking and Trust Company, with Wachovia as agent for the lenders. This three-year facility, as amended, consists of \$80,000,000 in line of credit commitments from the lenders, all of which are available for revolving loans. In addition, of that \$80,000,000 line of credit, \$40,000,000 may be used for letters of credit and \$10,000,000 may be used for borrowings under Wachovia's sweep program. The sweep program is a daily cash management tool that automatically initiates borrowings to cover overnight cash requirements up to an aggregate of \$10,000,000 or initiates overnight investments for excess cash balances. Revolving loans under the facility bear interest at either: (a) an applicable margin plus the higher of Wachovia's prime rate or one-half of one percentage point over the federal funds rate (the "Adjusted Base Rate"); or (b) LIBOR plus an applicable margin (the "Adjusted LIBOR Rate"). The applicable margin varies depending upon our ratio of adjusted debt to capital. In the case of the Adjusted Base Rate, the applicable margin ranges from 0% to 0.25%. In the case of the Adjusted LIBOR Rate, the applicable margin ranges from 0.75% to 1.25%. The applicable margin under this agreement for 2004 for the Adjusted Base Rate and the Adjusted LIBOR Rate was 0% and 1.0%, respectively. Revolving loans under the sweep program bear interest at the aggregate rate applicable under the sweep program plus the Adjusted LIBOR Rate.

Quarterly fees ranging from 0.20% to 0.30% are charged on the aggregate unused portion of the facility determined by our ratio of adjusted debt to capital. The applicable rate for the periods under this agreement in 2004 was 0.25%. Quarterly fees are charged on the aggregate undrawn portion of outstanding letters of credit at a rate ranging from 0.75% to 1.25%, which was 1.0% in 2004 as determined by our ratio of adjusted debt to capital. In addition, a quarterly facing fee at an annual rate of 0.125% was charged on the aggregate undrawn portion of outstanding letters of credit.

The June 2003 credit facility contains customary covenants, including financial covenants that require us to observe a maximum ratio of adjusted debt to capital, to maintain a minimum fixed charge coverage ratio and to maintain a minimum consolidated tangible net worth. Our wholly owned subsidiary guaranteed payment of all of our obligations under the facility. Future wholly owned subsidiaries would be required to guarantee payment of all of our obligations under the facility. At December 31, 2004, there was \$17,333,000 outstanding on the line of credit facility and there was \$31,047,000 outstanding on the standby letter of credit facility.

Our senior notes and credit agreement limit the amount of dividends that may be paid to shareholders pursuant to certain financial ratios. At December 31, 2004, our credit agreement was the most restrictive and limited the amount of dividends that could be paid to shareholders to the difference between our current tangible net worth, which is defined as shareholders' equity plus intangible assets, and the sum of \$198,000,000 and 50% of cumulative net income since March 31, 2003. We did not declare or pay a dividend on our common stock in 2004, and we have no plans to declare or pay a dividend in 2005.

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Equipment and capitalized lease obligations are collateralized by property and equipment with a book value of \$11,006,000 at December 31, 2004.

As of December 31, 2004, aggregate maturities of long-term debt are as follows:

<i>(In thousands)</i>	
2005	\$22,030
2006	34,261
2007	11,663
2008	11,500
	<u>\$79,454</u>

The effective average interest rate on our outstanding fixed rate debt was 6.54%, 6.56% and 6.49% at December 31, 2004, 2003 and 2002, respectively.

Note 3. Leases

We lease certain revenue equipment and information systems under capital leases. We also lease other assets under operating leases, which primarily consist of real estate leases for 70 of our service center locations.

Certain capital and operating leases provide for purchase and/or renewal options. Generally, purchase options are at prices representing the expected fair value of the property at the expirations of the lease term. Renewal options and length of renewals vary by lease and are typically offered at their fair rental value.

The assets under capital leases are included in property and equipment as follows:

<i>(In thousands)</i>	December 31,	
	2004	2003
Revenue equipment	\$ —	\$ 511
Information systems	3,403	3,403
	<u>3,403</u>	<u>3,914</u>
Less accumulated amortization	<u>(2,187)</u>	<u>(1,330)</u>
	<u>\$ 1,216</u>	<u>\$ 2,584</u>

Future minimum annual lease payments as of December 31, 2004, are as follows:

<i>(In thousands)</i>	Capital leases	Operating leases	Total
2005	\$1,208	\$10,512	\$11,720
2006	326	7,591	7,917
2007	163	3,420	3,583
2008	—	1,730	1,730
2009	—	904	904
Thereafter	—	4,669	4,669
Total minimum lease payments	<u>1,697</u>	<u>\$28,826</u>	<u>\$30,523</u>
Less amount representing interest	<u>(19)</u>		
Present value of capitalized lease obligations	<u>\$1,678</u>		

Aggregate expense under operating leases approximated \$11,139,000, \$10,957,000 and \$10,971,000 for 2004, 2003 and 2002, respectively.

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Note 4. Income Taxes

The components of the provision for income taxes are as follows:

<i>(In thousands)</i>	Year ended December 31,		
	2004	2003	2002
Current:			
Federal	\$14,850	\$11,230	\$ 8,842
State	2,756	1,928	684
	17,606	13,158	9,526
Deferred:			
Federal	7,075	4,467	1,917
State	914	72	360
	7,989	4,539	2,277
Total provision for income taxes	\$25,595	\$17,697	\$11,803

Net cash paid for income taxes during 2004, 2003 and 2002 aggregated \$18,315,000, \$8,487,000 and \$13,480,000, respectively.

The following is a reconciliation of the statutory federal income tax rates with our effective income tax rates for 2004, 2003 and 2002:

<i>(In thousands)</i>	Year ended December 31,		
	2004	2003	2002
Tax provision at statutory rate on income before income taxes	\$22,606	\$15,854	\$10,593
State income taxes, net of federal benefit	2,143	1,010	678
Meals and entertainment disallowance	478	409	346
Other, net	368	424	186
Total provision for income taxes	\$25,595	\$17,697	\$11,803

Deferred tax assets and liabilities consist of the following:

<i>(In thousands)</i>	December 31,	
	2004	2003
Deferred tax assets:		
Claims and insurance reserves	\$ 15,413	\$ 12,293
Allowance for doubtful accounts	2,578	2,297
Accrued vacation	3,401	2,843
Other	3,813	2,823
	25,205	20,256
Deferred tax liabilities:		
Depreciation	(49,508)	(39,140)
Tires on equipment	(4,203)	(3,527)
Unrecognized revenue	(3,762)	(2,565)
Employee benefits	(1,891)	(1,748)
Other	(554)	—
	(59,918)	(46,980)
Net deferred tax liability	\$(34,713)	\$(26,724)

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The net current asset and noncurrent liability consist of the following:

<i>(In thousands)</i>	December 31,	
	2004	2003
Current deferred tax asset	\$ 4,602	\$ 4,539
Noncurrent deferred tax liability	(39,315)	(31,263)
Net deferred tax liability	<u>\$(34,713)</u>	<u>\$(26,724)</u>

Note 5. Related Party Transactions

Transactions with Old Dominion Truck Leasing, Inc.

Old Dominion Truck Leasing, Inc. ("Leasing"), a North Carolina corporation whose voting stock is owned by the Earl E. Congdon Intangibles Trust, David S. Congdon, Trustee, the John R. Congdon Revocable Trust and members of Earl E. Congdon's and John R. Congdon's families, is engaged in the business of purchasing and leasing tractors, trailers and other vehicles. John R. Congdon is Chairman of the Board of Leasing, and Earl E. Congdon is Vice Chairman of the Board of Leasing. Since 1986, we have combined our requirements with Leasing for the purchase of tractors, trailers, equipment, parts, tires and fuel. We believe that, by combining our requirements, we are often able to obtain pricing discounts because of the increased level of purchasing. While this arrangement is beneficial to us, our management believes that the termination of this relationship would not have a material adverse impact on our financial results.

For the years ended December 31, 2004, 2003 and 2002, we charged Leasing \$7,000, \$39,000 and \$14,000, respectively, for vehicle repair, maintenance and other services, which we provide to Leasing at cost plus a negotiated markup. In addition, we charged Leasing \$12,000 annually in 2004, 2003 and 2002, for rental of a vehicle maintenance facility located in Chesapeake, Virginia. On March 15, 2003, we entered into an agreement to sublease a vehicle maintenance facility in South Bend, Indiana, to Leasing for which we charged \$12,000 and \$10,000 in 2004 and 2003, respectively.

We purchased \$346,000, \$266,000 and \$297,000 of maintenance and other services from Leasing in 2004, 2003 and 2002, respectively. We also paid Leasing \$2,000 for leased equipment in 2004, but did not lease any equipment from Leasing in 2003 or 2002.

On January 4, 2002, we purchased 91 1997 model pickup and delivery trailers from Leasing for an aggregate purchase price of \$774,000. We also purchased one trailer from Leasing on May 1, 2003, for a purchase price of \$8,000.

Transactions with E & J Enterprises

On July 29, 2002, our Board of Directors approved the purchase of 163 trailers for \$1,200 each, or a total of \$195,600, from E & J Enterprises ("E&J"), a Virginia general partnership of which Earl E. Congdon, our Chief Executive Officer and Chairman of our Board of Directors, and John R. Congdon, Vice Chairman of our Board of Directors, are each 50% owners. These trailers had been leased to us by E&J since 1988 pursuant to a term lease that converted to a month-to-month lease in 1999. At year-end 2002, we had completed the purchase of 50 of these trailers for a purchase price of \$60,000. During the first quarter 2003, we continued to lease the remaining 113 trailers on a month-to-month basis until we completed the purchase of those trailers in March 2003 for a purchase price of \$135,600. Also in March 2003, we purchased an additional 10 trailers from E&J for \$5,000 each for a total purchase price of \$50,000.

On July 29, 2002, our Board of Directors also approved the leasing from E&J of 150 pickup and delivery trailers on a month-to-month basis for \$204 per month for each trailer. On December 1, 2003, we purchased these 150 trailers for an aggregate purchase price of \$907,000.

There were no lease agreements in effect with E&J during 2004. The total amount paid to E&J for all trailers under lease was \$357,000 and \$387,000 for 2003 and 2002, respectively.

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In December 1988, we sold E&J certain tracts of unimproved land and a vacant service center facility in exchange for a receivable in the amount of \$579,798. In December 2003, E&J paid the remaining receivable balance of \$195,677.

Greensboro, NC Service Center Purchase

On October 15, 2002, we purchased a 116-door service center facility and shop located in Greensboro, N.C. for \$6,000,000 from an irrevocable trust created for the benefit of the families of Earl E. Congdon, our Chief Executive Officer and Chairman of our Board of Directors, and John R. Congdon, Vice Chairman of our Board of Directors. Prior to our purchase, this property was leased to us with payments totaling \$285,000 in 2002.

Disposition of Certain Split Dollar Life Insurance Policies

Prior to December 2003, we were a party to five split-dollar life insurance arrangements with two executives. In December 2003, we terminated three of these split-dollar arrangements by selling our interests in the policies to the owners of the policies. These three transactions resulted in a non-operating gain of \$518,000, which was the difference between the cash surrender value of the policies and the amount paid by the owners that approximated the premiums we had paid over the policy lives. Also in December 2003, the owners of the other two split-dollar policies conveyed their rights in those policies to us. We are holding those policies as key man life insurance on two executives.

Note 6. Employee Retirement Plan Contribution Expense

Substantially all employees meeting certain service requirements are eligible to participate in our 401(k) employee retirement plan. Employee contributions are limited to a percentage of their compensation, as defined in the plan. We make contributions based upon the greater of a percentage of employee contributions or ten percent of net income. Company contributions for 2004, 2003 and 2002 were \$3,899,000, \$2,760,000 and \$1,846,000, respectively.

Note 7. Stock Options

In 1991, our Board of Directors and shareholders adopted the 1991 Employee Stock Option Plan ("Plan") under which 250,000 shares of common stock are reserved for stock option grants to certain officers and employees. Options granted under the Plan may be incentive stock options or nonqualified stock options. The Plan provides that options may be granted at prices not less than the fair market value on the date the option is granted, which means the closing price of a share of common stock as reported on the Nasdaq National Market on such day or the preceding day if the shares are not traded in the Nasdaq system on the grant day. On the date the option is granted, the Stock Option Plan Committee of the Board of Directors determines the period during which the option may be exercised; however, under the terms of the Plan, the option period cannot extend more than ten years from the date on which the option is granted. Options may not be granted under the Plan after August 31, 2001. A summary of the changes in the number of common shares under option during the years ended December 31, 2004, 2003 and 2002 is provided below. Shares and per share amounts have been restated for the three-for-two stock splits that occurred in 2003 and 2004.

	<i>Number of options</i>	<i>Per share option price</i>	<i>Weighted average Exercise price</i>
Balance as of December 31, 2001	250,875	\$4.444 - \$8.555	\$ 7.642
Granted	—	—	—
Exercised	(78,525)	\$4.444 - \$7.945	\$ 7.433
Canceled	(18,450)	\$7.945	\$ 7.945
Balance as of December 31, 2002	153,900	\$4.444 - \$8.555	\$ 7.712
Granted	—	—	—
Exercised	(122,400)	\$4.444 - \$8.555	\$ 7.891
Canceled	—	—	—
Balance as of December 31, 2003	31,500	\$4.444 - \$8.444	\$ 7.016
Granted	—	—	—
Exercised	(20,250)	\$8.444	\$ 8.444
Canceled	—	—	—
Balance as of December 31, 2004	11,250	\$4.444	\$ 4.444

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At December 31, 2004 there were 11,250 options exercisable. The weighted average remaining contractual life of outstanding options is 0.8 years.

Note 8. Commitments and Contingencies

We are involved in various legal proceedings and claims that have arisen in the ordinary course of our business that have not been fully adjudicated. Many of these are covered in whole or in part by insurance. Our management does not believe that these actions, when finally concluded and determined, will have a significant adverse effect upon our financial position or results of operations.

Note 9. Subsequent Events

On January 15, 2005, we closed on a transaction to purchase substantially all of the assets of Wichita Southeast Kansas Transit, Inc. (“WSKT”), a private LTL carrier headquartered in Parsons, Kansas. We plan to integrate WSKT’s 43 service center operations and its entire route structure with our network of 138 service centers, increasing our network by 10 service centers in 2005. In addition, we plan to expand our direct operations into our 41st state, Nebraska, and we plan to initiate full-state coverage in Kansas and Iowa, bringing the total number of states with full-state coverage to 31. This acquisition was structured as an asset purchase for which the total purchase price will be approximately \$25,000,000. The acquired assets included tractors, trailers, service centers and approximately \$9,000,000 of accounts receivable.

On February 25, 2005, we entered into a Note Purchase Agreement with Allstate Life Insurance Company, Allstate Life Insurance Company of New York, New York Life Insurance Company, New York Life Insurance and Annuity Corporation, United of Omaha Life Insurance Company, PRU & Co. (as nominee for Prudential Retirement Insurance and Annuity Company), UMBTRU & Co. (as nominee for Security Benefit Life Insurance Company, Inc.) and Metropolitan Life Insurance Company. Under this agreement, we issued \$50,000,000 of privately-placed Series A Senior Notes, Tranche A on February 25, 2005 and will issue an additional \$25,000,000 of privately-placed Series A Senior Notes, Tranche B on May 25, 2005 (the “Series A Notes”). The Series A Notes bear an interest rate of 4.68% and a maturity date of February 25, 2015. The Series A Notes call for semi-annual interest payments beginning on August 25, 2005 and seven equal annual principal prepayments commencing on February 25, 2009. The proceeds from this agreement were used to refinance existing indebtedness and for general corporate purposes. The Note Purchase Agreement may also serve as the platform for potential future private note issuances by the Company. The aggregate principal amount of all notes issued pursuant to the note Purchase Agreement, including the Series A Notes, shall not exceed \$300,000,000. The applicable interest rate and payment schedules for any new notes will be determined and mutually agreed upon at the time of issuance.

Pursuant to the February 25, 2005 Note Purchase Agreement, our wholly owned subsidiary executed a Subsidiary Guaranty Agreement, dated as of February 25, 2005, for the benefit of the note holders, which provides that the subsidiary will absolutely, unconditionally and irrevocably guarantee the full payment of all amounts due from the Company and the performance of all of the Company’s obligations, agreements and covenants under the Note Purchase Agreement. As part of the financing, we also entered into a Second Amendment, dated as of February 25, 2005, to our revolving credit agreement, which amended the covenants contained in the credit agreement concerning debt limitations to permit the incurrence of debt under the Series A Notes.

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**Note 10. Quarterly Financial Information
(Unaudited)**

(In thousands, except per share data)

	Quarter				
	First	Second	Third	Fourth	Total
2004					
Revenue	\$182,769	\$202,129	\$215,117	\$224,036	\$824,051
Operating income	10,901	18,901	21,517	19,289	70,608
Net income	5,712	10,461	12,215	10,604	38,992
Net income per share:					
Basic and diluted	0.24	0.43	0.50	0.43	1.60
2003					
Revenue	\$152,865	\$163,817	\$176,873	\$173,976	\$667,531
Operating income	8,666	12,191	16,778	13,581	51,216
Net income	4,247	6,509	9,116	7,728	27,600
Net income per share:					
Basic and diluted	0.18	0.27	0.38	0.32	1.15

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Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders
Old Dominion Freight Line, Inc.

We have audited the accompanying consolidated balance sheets of Old Dominion Freight Line, Inc. (the Company) as of December 31, 2004 and 2003 and the related consolidated statements of operations, changes in shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2004. Our audits also include the financial statement schedule of Old Dominion Freight Line, Inc. listed in Item 15(a). These financial statements and schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards 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. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Old Dominion Freight Line, Inc. as of December 31, 2004 and 2003, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2004, in conformity with accounting principles generally accepted in the United States. Also, in our opinion, the financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

As discussed in Note 1 to the financial statements, effective January 1, 2002, the Company adopted Statement of Financial Accounting Standards No. 142, *Goodwill and Other Intangible Assets*.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the effectiveness of the Company's internal control over the financial reporting as of December 31, 2004, based on criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 14, 2005 expressed an unqualified opinion thereon.

/s/ ERNST & YOUNG LLP

Greensboro, North Carolina
March 14, 2005

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ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURES

None.

ITEM 9A. CONTROLS AND PROCEDURES

a.) Evaluation of disclosure controls and procedures

As of the end of the period covered by this report, our management has conducted an evaluation, with the participation of our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures, in accordance with Rule 13a-15 under the Exchange Act. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures are effective to enable us to record, process, summarize and report in a timely manner the information that we are required to disclose in our Exchange Act reports.

b.) Management's annual report on internal control over financial reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting in accordance with Exchange Act Rule 13a-15(f). Management has conducted an evaluation, with the participation of our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our internal control over financial reporting as of December 31, 2004 based on the framework in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Management concluded that our internal control over financial reporting was effective as of December 31, 2004, based on our evaluation under the framework in *Internal Control – Integrated Framework*.

A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, in designing a control system, we must take into account the benefits of controls relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected.

Our management's assessment of the effectiveness of our internal control over financial reporting as of December 31, 2004, has been audited by Ernst & Young LLP, an independent registered public accounting firm, as stated in their report which is included herein.

c.) Changes in internal control over financial reporting

There were no changes in our internal control over financial reporting that occurred during the period covered by this report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders
Old Dominion Freight Line, Inc.

We have audited management's assessment, included in the accompanying Management's Annual Report on Internal Control Over Financial Reporting, that Old Dominion Freight Line, Inc. maintained effective internal control over financial reporting as of December 31, 2004, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO criteria). Old Dominion Freight Line's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting. Our responsibility is to express an opinion on management's assessment and an opinion on the effectiveness of the company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, evaluating management's assessment, testing and evaluating the design and operating effectiveness of internal control, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, management's assessment that Old Dominion Freight Line, Inc. maintained effective internal control over financial reporting as of December 31, 2004, is fairly stated, in all material respects, based on the COSO criteria. Also, in our opinion, Old Dominion Freight Line, Inc. maintained, in all material respects, effective internal control over financial reporting as of December 31, 2004, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Old Dominion Freight Line, Inc. as of December 31, 2004 and 2003, and the related consolidated statements of operations, changes in shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2004 of Old Dominion Freight Line, Inc. and our report dated March 14, 2005 expressed an unqualified opinion thereon.

/s/ ERNST & YOUNG LLP

Greensboro, North Carolina
March 14, 2005

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ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

The information required by Item 10 of Form 10-K appears in the Company's proxy statement for the 2005 Annual Meeting of its Shareholders, reference to which is hereby made, and the information there is incorporated herein by reference.

ITEM 11. EXECUTIVE COMPENSATION

The information required by Item 11 of Form 10-K appears in the Company's proxy statement for the 2005 Annual Meeting of its Shareholders, reference to which is hereby made, and the information there is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required by Item 12 of Form 10-K appears in the Company's proxy statement for the 2005 Annual Meeting of its Shareholders, reference to which is hereby made, and the information there is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The information required by Item 13 of Form 10-K appears in the Company's proxy statement for the 2005 Annual Meeting of its Shareholders, reference to which is hereby made, and the information there is incorporated herein by reference.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information required by Item 14 of Form 10-K appears in the Company's proxy statement for the 2005 Annual Meeting of its Shareholders, reference to which is hereby made, and the information there is incorporated herein by reference.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

(a)(1) Financial Statements.

The following consolidated financial statements of Old Dominion Freight Line, Inc. are included in Item 8:

[Consolidated Balance Sheets - December 31, 2004 and December 31, 2003](#)

[Consolidated Statements of Operations - Years ended December 31, 2004, December 31, 2003 and December 31, 2002](#)

[Consolidated Statements of Changes in Shareholders' Equity - Years ended December 31, 2004, December 31, 2003 and December 31, 2002](#)

[Consolidated Statements of Cash Flows - Years ended December 31, 2004, December 31, 2003 and December 31, 2002](#)

[Notes to the Consolidated Financial Statements](#)

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(a)(2) Financial Statement Schedules.

The following financial statement schedule of Old Dominion Freight Line, Inc., is included in response to Item 15(d):
Schedule II - Valuation and Qualifying Accounts

All other schedules for which provision is made in the applicable accounting regulation of the Securities and Exchange Commission are not required under the instructions or are inapplicable and, therefore, have been omitted.

(a)(3) Exhibits Filed. The exhibits listed in the accompanying Exhibit Index are filed as a part of this report.

(b) Reports on Form 8-K.

On October 21, 2004, we furnished a Current Report on Form 8-K under Item 2.02 to report our earnings for the third quarter 2004.

(c) Exhibits. See Exhibit Index.

(d) Financial Statement Schedules.

Schedule II
Old Dominion Freight Line, Inc.
Valuation and Qualifying Accounts

Year Ended December 31,	Accounts Receivable Allowances			
	Beginning Balance	Charges to Revenue or Expense	Amounts Written Off	Ending Balance
2002	\$6,816,000	\$3,854,000	\$2,804,000	\$7,866,000
2003	\$7,866,000	\$2,172,000	\$2,650,000	\$7,388,000
2004	\$7,388,000	\$3,289,000	\$2,568,000	\$8,109,000

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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.

OLD DOMINION FREIGHT LINE, INC.

By: /s/ EARL E. CONGDON

Earl E. Congdon
Chief Executive Officer

Dated: March 16, 2005

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 as of the dates indicated:

<u>Name and Signature</u>	<u>Position</u>	<u>Date</u>
<u>/s/ EARL E. CONGDON</u> Earl E. Congdon	Chairman of the Board of Directors and Chief Executive Officer	March 16, 2005
<u>/s/ JOHN R. CONGDON</u> John R. Congdon	Vice Chairman of the Board and Director	March 16, 2005
<u>/s/ J. PAUL BREITBACH</u> J. Paul Breitbach	Director	March 16, 2005
<u>/s/ JOHN R. CONGDON, JR.</u> John R. Congdon, Jr.	Director	March 16, 2005
<u>/s/ ROBERT G. CULP, III</u> Robert G. Culp, III	Director	March 16, 2005
<u>/s/ JOHN A. EBELING</u> John A. Ebeling	Director	March 16, 2005
<u>/s/ HAROLD G. HOAK</u> Harold G. Hoak	Director	March 16, 2005
<u>/s/ FRANZ F. HOLSCHER</u> Franz F. Holscher	Director	March 16, 2005
<u>/s/ DAVID S. CONGDON</u> David S. Congdon	President and Chief Operating Officer	March 16, 2005
<u>/s/ J. WES FRYE</u> J. Wes Frye	Senior Vice President - Finance (Principal Financial Officer)	March 16, 2005
<u>/s/ JOHN P. BOOKER III</u> John P. Booker III	Vice President – Controller (Principal Accounting Officer)	March 16, 2005

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**EXHIBIT INDEX
TO ANNUAL REPORT ON FORM 10-K
OLD DOMINION FREIGHT LINE, INC.
FOR YEAR ENDED DECEMBER 31, 2004**

<u>Exhibit No.</u>	<u>Description</u>
3.1.1(p)	Amended and Restated Articles of Incorporation (as amended and restated May 27, 2004)
3.2(p)	Amended and Restated Bylaws of Old Dominion Freight Line, Inc.
4.1(a)	Specimen certificate of Common Stock
4.5(c)	Note Purchase Agreement among Nationwide Life Insurance Company, Nationwide Life and Annuity Insurance Company, New York Life Insurance Company, New York Life Insurance and Annuity Corporation and Old Dominion Freight Line, Inc., dated June 15, 1996
4.5.1(c)	Forms of notes issued by Old Dominion Freight Line, Inc. pursuant to Note Purchase Agreement among Nationwide Life Insurance Company, Nationwide Life and Annuity Insurance Company, New York Life Insurance Company, New York Life Insurance and Annuity Corporation and Old Dominion Freight Line, Inc., dated June 15, 1996
4.6(e)	Note Purchase Agreement among Nationwide Life Insurance Company, New York Life Insurance and Annuity Corporation Institutionally Owned Life Insurance Separate Account and Old Dominion Freight Line, Inc., dated February 25, 1998
4.6.1(e)	Forms of notes issued by Company pursuant to Note Purchase Agreement among Nationwide Life Insurance Company, New York Life Insurance and Annuity Corporation Institutionally Owned Life Insurance Separate Account and Old Dominion Freight Line, Inc., dated February 25, 1998
4.6.2(i)	Note Purchase and Shelf Agreement among Old Dominion Freight Line, Inc., Prudential Insurance Company of America, Pruco Life Insurance Company, Pruco Life Insurance Company of New Jersey and Hartford Life Insurance Company, dated May 1, 2001
4.6.3(l)	Amendment No. 1 to Note Purchase and Shelf Agreement among Old Dominion Freight Line, Inc. and the Noteholders set forth in Annex 1 thereto, dated June 27, 2003
4.6.8(j)	Loan Agreement between First Union Commercial Corporation and Old Dominion Freight Line, Inc., dated July 10, 2002
4.6.9(l)	First Amendment to the Loan Agreement between First Union Commercial Corporation and Old Dominion Freight Line, Inc. dated June 30, 2003
4.6.10	Note Purchase Agreement among Old Dominion Freight Line, Inc. and the Purchasers set forth in Schedule A, dated as of February 25, 2005
4.6.11	Subsidiary Guaranty Agreement, dated as of February 25, 2005, from ODIS, Inc. for the benefit of the Holders of the 2005 Series A Notes
4.7.1(g)	Credit Agreement between Old Dominion Freight Line, Inc. and First Union National Bank, dated May 31, 2000
4.7.2(h)	First Amendment to the Credit Agreement between Old Dominion Freight Line, Inc. and First Union National Bank, dated February 1, 2001
4.7.3(i)	Second Amendment to the Credit Agreement between Old Dominion Freight Line, Inc. and First Union National Bank of North Carolina, dated May 31, 2001
4.7.4(j)	Third Amendment and Agreement between Wachovia Bank, National Association (formerly known as First Union National Bank) and Old Dominion Freight Line, Inc., dated May 31, 2002
4.7.5(l)	Letter Regarding Extension of Credit Agreement from Wachovia Bank, National Association to Old Dominion Freight Line, Inc., dated May 14, 2003

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<u>Exhibit No.</u>	<u>Description</u>
4.7.6(l)	Credit Agreement among Wachovia Bank, National Association, as Agent; Bank of America, N.A.; Branch Banking and Trust Company; and Old Dominion Freight Line, Inc., dated June 30, 2003
4.7.7(m)	First Amendment to the Credit Agreement among Old Dominion Freight Line, Inc., the Lenders named therein and Wachovia Bank, National Association as Agent, dated April 14, 2004
4.7.8	Second Amendment to the Credit Agreement among Old Dominion Freight Line, Inc., the Lenders named therein and Wachovia, National Association as Agent, dated February 25, 2005
10.4(a)*	1991 Employee Stock Option Plan of Old Dominion Freight Line, Inc.
10.5(a)*	Stock Option Agreement pursuant to the 1991 Employee Stock Option Plan of Old Dominion Freight Line, Inc. (included in Exhibit 10.4)
10.9(a)	E & J Enterprises Trailer Lease Agreement, effective August 1, 1991
10.9.1(d)	Extension of E & J Trailer Lease Agreement, effective August 1, 1996
10.9.2(f)	Extension of E & J Trailer Lease Agreement, effective August 1, 1999
10.9.3(k)	E & J Enterprises Truck Lease Agreement dated August 1, 2002
10.15(b)	Lease Agreement between Robert A. Cox, Jr., Trustee, and Old Dominion Freight Line, Inc., dated October 31, 1995
10.16(j)	Real Estate Purchase Contract between Robert A. Cox, Jr., as Trustee for the Earl E. Congdon and John R. Congdon Irrevocable Trust, and Old Dominion Freight Line, Inc., dated June 19, 2002
10.17.1(n)*	Employment Agreement by and between Old Dominion Freight Line, Inc. and Earl E. Congdon, effective June 1, 2004
10.17.2(n)*	Employment Agreement by and between Old Dominion Freight Line, Inc. and John R. Congdon, effective June 1, 2004
10.17.3(n)*	Employment Agreement by and between Old Dominion Freight Line, Inc. and David S. Congdon, effective June 1, 2004
10.17.4(n)*	Employment Agreement by and between Old Dominion Freight Line, Inc. and John B. Yowell, effective June 1, 2004
10.17.5(o)	Underwriting Agreement among Old Dominion Freight Line, Inc. and Legg Mason Wood Walker, Incorporated, BB&T Capital Markets, a division of Scott & Stringfellow, Inc. and Stephens, Inc., as representatives of the several underwriters, dated July 20, 2004
10.18.1(q)	Non-Executive Director Compensation Structure, effective May 16, 2005
21.1(r)	Subsidiaries of the Registrant
23.1	Consent of Ernst & Young LLP
31.1	Certification Pursuant to Rule 13a-14(a) or 15d-14(a) of the Exchange Act, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification Pursuant to Rule 13a-14(a) or 15d-14(a) of the Exchange Act, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification Pursuant to 18 U.S.C Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification Pursuant to 18 U.S.C Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

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- (a) Incorporated by reference to the exhibit of the same number contained in the Company's registration statement on Form S-1 filed under the Securities Act of 1933 (SEC File: 33- 42631)
 - (b) Incorporated by reference to the exhibit of the same number contained in the Company's Annual Report on Form 10-K for the year ended December 31, 1995
 - (c) Incorporated by reference to the exhibit of the same number contained in the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 1996
 - (d) Incorporated by reference to the exhibit of the same number contained in the Company's Annual Report on Form 10-K for the year ended December 31, 1996
 - (e) Incorporated by reference to the exhibit of the same number contained in the Company's Annual Report on Form 10-K for the year ended December 31, 1997
 - (f) Incorporated by reference to the exhibit of the same number contained in the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 1999
 - (g) Incorporated by reference to the exhibit of the same number contained in the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2000
 - (h) Incorporated by reference to the exhibit of the same number contained in the Company's Annual Report on Form 10-K for the year ended December 31, 2000
 - (i) Incorporated by reference to the exhibit of the same number contained in the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2001
 - (j) Incorporated by reference to the exhibit of the same number contained in the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2002
 - (k) Incorporated by reference to the exhibit of the same number contained in the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2002
 - (l) Incorporated by reference to the exhibit of the same number contained in the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2003
 - (m) Incorporated by reference to the exhibit of the same number contained in the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2004
 - (n) Incorporated by reference to the exhibit of the same number contained in the Company's Current Report on Form 8-K dated June 10, 2004
 - (o) Incorporated by reference to the exhibit of the same number contained in the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2004
 - (p) Incorporated by reference to the exhibit of the same number contained in the Company's Registration Statement on Form S-3 filed under the Securities Act of 1933 (SEC File: 333-116399)
 - (q) Incorporated by reference to the exhibit of the same number contained in the Company's Current Report on Form 8-K dated February 4, 2005
 - (r) Incorporated by reference to Exhibit 22.1 contained in the Company's registration statement on Form S-1 filed under the Securities Act of 1933 (SEC File: 33-42631)
- * Denotes an executive compensation plan or agreement

Our SEC file number reference for documents filed with the SEC pursuant to the Securities Exchange Act of 1934, as amended, is 000-19582.

OLD DOMINION FREIGHT LINE, INC.

\$50,000,000 4.68% Series A Senior Notes, Tranche A,
due February 25, 2015

\$25,000,000 4.68% Series A Senior Notes, Tranche B,
due February 25, 2015

NOTE PURCHASE AGREEMENT

DATED AS OF FEBRUARY 25, 2005

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OLD DOMINION FREIGHT LINE, INC.
500 OLD DOMINION WAY
THOMASVILLE, NORTH CAROLINA 27360

\$50,000,000 4.68% SERIES A SENIOR NOTES, TRANCHE A, DUE FEBRUARY 25, 2015

\$25,000,000 4.68% SERIES A SENIOR NOTES, TRANCHE B, DUE FEBRUARY 25, 2015

Dated as of
February 25, 2005

TO THE PURCHASERS LISTED IN
THE ATTACHED SCHEDULE A:

Ladies and Gentlemen:

OLD DOMINION FREIGHT LINE, INC., a Virginia corporation (the “Company”), agrees with the Purchasers listed in the attached Schedule A (the “Purchasers”) to this Note Purchase Agreement (this “Agreement”) as follows:

SECTION 1. AUTHORIZATION OF NOTES.

Section 1.1. Description of Notes. The Company will authorize the issue and sale of the following Senior Notes:

<u>Issue</u>	<u>Series and/or Tranche</u>	<u>Aggregate Principal Amount</u>	<u>Interest Rate</u>	<u>Maturity Date</u>
Senior Notes	Series A, Tranche A	\$50,000,000	4.68%	February 25, 2015
Senior Notes	Series A, Tranche B	\$25,000,000	4.68%	February 25, 2015

The Senior Notes described above (collectively the “Series A Notes”) together with each Series of Additional Notes which may from time to time be issued pursuant to the provisions of Section 2.2 are collectively referred to as the “Notes” (such term shall also include any such notes issued in substitution therefor pursuant to Section 13 of this Agreement). The Tranche A Notes and the Tranche B Notes shall be substantially in the form set out in Exhibit 1, with such

changes therefrom, if any, as may be approved by the Purchasers and the Company. Certain capitalized terms used in this Agreement are defined in Schedule B; references to a "Schedule" or an "Exhibit" are, unless otherwise specified, to a Schedule or an Exhibit attached to this Agreement.

Section 1.2. Interest Rate. (a) The Series A Notes shall bear interest (computed on the basis of a 360-day year of twelve 30-day months) on the unpaid principal thereof from the date of issuance at their respective stated rate of interest payable semi-annually in arrears on the 25th day of February and August and at maturity commencing on August 25, 2005, until such principal sum shall have become due and payable (whether at maturity, upon notice of prepayment or otherwise) and interest (so computed) on any overdue principal, interest or Make-Whole Amount from the due date thereof (whether by acceleration or otherwise) at the applicable Default Rate until paid.

SECTION 2. SALE AND PURCHASE OF NOTES.

Section 2.1. Series A Notes. Subject to the terms and conditions of this Agreement, the Company will issue and sell to each Purchaser and each Purchaser will purchase from the Company, at the Closing provided for in Section 3, the Series A Notes in the principal amount specified opposite such Purchaser's name in Schedule A at the purchase price of 100% of the principal amount thereof. The obligations of each Purchaser hereunder are several and not joint obligations and each Purchaser shall have no obligation and no liability to any Person for the performance or nonperformance by any other Purchaser hereunder.

Section 2.2. Additional Series of Notes. The Company may, from time to time, in its sole discretion but subject to the terms hereof, issue and sell one or more additional Series of its unsecured promissory notes under the provisions of this Agreement pursuant to a supplement (a "*Supplement*") substantially in the form of Exhibit S, *provided* that the aggregate principal amount of Notes of all Series issued pursuant to all Supplements in accordance with the terms of this Section 2.2 shall not exceed \$300,000,000. Each additional Series of Notes (the "*Additional Notes*") issued pursuant to a Supplement shall be subject to the following terms and conditions:

- (i) each Series of Additional Notes, when so issued, shall be differentiated from all previous Series by sequential alphabetical designation inscribed thereon;
- (ii) Additional Notes of the same Series may consist of more than one different and separate tranches and may differ with respect to outstanding principal amounts, maturity dates, interest rates and premiums, if any, and price and terms of redemption or payment prior to maturity, but all such different and separate tranches of the same Series shall vote as a single class and constitute one Series;
- (iii) each Series of Additional Notes shall be dated the date of issue, bear interest at such rate or rates, mature on such date or dates, be subject to such mandatory and optional prepayment on the dates and at the premiums, if any, have such additional or different conditions precedent to closing, such representations and warranties and such additional covenants as shall be specified in the Supplement under which such Additional

Notes are issued and upon execution of any such Supplement, this Agreement shall be amended (a) to reflect such additional covenants without further action on the part of the holders of the Notes outstanding under this Agreement, *provided*, that any such additional covenants shall inure to the benefit of all holders of Notes so long as any Additional Notes issued pursuant to such Supplement remain outstanding, and (b) to reflect such representations and warranties as are contained in such Supplement for the benefit of the holders of such Additional Notes in accordance with the provisions of Section 16;

(iv) each Series of Additional Notes issued under this Agreement shall be in substantially the form of Exhibit 1 to Exhibit S hereto with such variations, omissions and insertions as are necessary or permitted hereunder;

(v) the minimum principal amount of any Note issued under a Supplement shall be \$100,000, except as may be necessary to evidence the outstanding amount of any Note originally issued in a denomination of \$100,000 or more;

(vi) all Additional Notes shall constitute Senior Debt of the Company and shall rank *pari passu* with all other outstanding Notes; and

(vii) no Additional Notes shall be issued hereunder if at the time of issuance thereof and after giving effect to the application of the proceeds thereof, any Default or Event of Default shall have occurred and be continuing.

The obligations of the Additional Purchasers to purchase any Additional Notes shall be subject to the following conditions precedent, in addition to the conditions specified in the Supplement pursuant to which such Additional Notes may be issued:

(a) *Compliance Certificate.* A duly authorized Senior Financial Officer shall execute and deliver to each Additional Purchaser and each holder of Notes an Officer's Certificate dated the date of issue of such Series of Additional Notes stating that such officer has reviewed the provisions of this Agreement (including any Supplements hereto) and setting forth the information and computations (in sufficient detail) required in order to establish whether after giving effect to the issuance of the Additional Notes and after giving effect to the application of the proceeds thereof, the Company is in compliance with the requirements of Section 10.2 on such date (based upon the financial statements for the most recent fiscal quarter ended prior to the date of such certificate).

(b) *Execution and Delivery of Supplement.* The Company and each such Additional Purchaser shall execute and deliver a Supplement substantially in the form of Exhibit S hereto.

(c) *Representations of Additional Purchasers.* Each Additional Purchaser shall have confirmed in the Supplement that the representations set forth in Section 6 are true with respect to such Additional Purchaser on and as of the date of issue of the Additional Notes.

(d) *Execution and Delivery of Guaranty Ratification.* Provided a Collateral Release shall not have occurred, each Subsidiary Guarantor shall execute and deliver a Guaranty Ratification in the form attached to the Subsidiary Guaranty.

Section 2.3. Subsidiary Guaranty. (a) The payment by the Company of all amounts due with respect to the Notes and the performance by the Company of its obligations under this Agreement will be absolutely and unconditionally guaranteed by the Subsidiary Guarantors pursuant to the Subsidiary Guaranty Agreement dated as of even date herewith, which shall be substantially in the form of Exhibit 2.3 attached hereto, and otherwise in accordance with the provisions of Section 9.7 hereof (the "*Subsidiary Guaranty*").

(b) The holders of the Notes agree to discharge and release any Subsidiary Guarantor from the Subsidiary Guaranty upon the written request of the Company, *provided* that (i) such Subsidiary Guarantor has been released and discharged (or will be released and discharged concurrently with the release of such Subsidiary Guarantor under the Subsidiary Guaranty) as an obligor and guarantor under and in respect of the Bank Credit Agreement and the Company so certifies to the holders of the Notes in a certificate of a Responsible Officer, (ii) at the time of such release and discharge, the Company shall deliver a certificate of a Responsible Officer to the holders of the Notes stating that no Default or Event of Default exists, and (iii) if any fee or other form of consideration is given to any holder of Debt of the Company expressly for the purpose of such release, holders of the Notes shall receive equivalent consideration (a "*Collateral Release*").

SECTION 3. CLOSING.

The sale and purchase of the Tranche A Notes to be purchased by each Purchaser shall occur at the offices of Chapman and Cutler LLP, 111 West Monroe Street, Chicago, Illinois 60603 at 10:00 a.m. Chicago time, at a closing (the "*Tranche A Closing*") on February 25, 2005 or on such other Business Day thereafter on or prior to March 31, 2005 as may be agreed upon by the Company and the Purchasers. The sale and purchase of the Tranche B Notes to be purchased by each Purchaser shall occur at the offices of Chapman and Cutler LLP, 111 West Monroe Street, Chicago, Illinois 60603 at 10:00 a.m. Chicago time, at a closing (the "*Tranche B Closing*" and together with the Tranche A Closing each, a "*Closing*" and together, the "*Closing Dates*") on May 25, 2005 or on such other Business Day thereafter as may be agreed upon by the Company and the Purchasers of the Tranche B Notes. On each Closing Date, the Company will deliver to each Purchaser the Series A Notes to be purchased by such Purchaser in the form of a single Series A Note (or such greater number of Series A Notes in denominations of at least \$100,000 as such Purchaser may request) dated the date of such Closing Date and registered in such Purchaser's name (or in the name of such Purchaser's nominee), against delivery by such Purchaser to the Company or its order of immediately available funds in the amount of the purchase price therefor by wire transfer of immediately available funds for the account of the Company to Account Number 2073781132196 at WACHOVIA BANK, N.A., CHARLOTTE, NORTH CAROLINA, ABA # 053000219, in the Account Name of "Old Dominion Freight Line, Inc." If, on the Closing Date, the Company shall fail to tender such Series A Notes to any Purchaser as provided above in this Section 3, or any of the conditions specified in Section 4 shall not have been fulfilled to any Purchaser's satisfaction, such Purchaser shall, at such Purchaser's election,

be relieved of all further obligations under this Agreement, without thereby waiving any rights such Purchaser may have by reason of such failure or such nonfulfillment.

SECTION 4. CONDITIONS TO CLOSING.

Each Purchaser's obligation to purchase and pay for the Series A Notes to be sold to such Purchaser at each Closing is subject to the fulfillment to such Purchaser's satisfaction, prior to or at such Closing, of the following conditions applicable to the Closing Date:

Section 4.1. Representations and Warranties.

(a) *Representations and Warranties of the Company.* The representations and warranties of the Company in this Agreement shall be correct when made and at the time of each Closing.

(b) *Representations and Warranties of the Subsidiary Guarantors.* The representations and warranties of the Subsidiary Guarantors in the Subsidiary Guaranty shall be correct when made and at the time of each Closing.

Section 4.2. Performance; No Default. The Company and each Subsidiary Guarantor shall have performed and complied with all agreements and conditions contained in this Agreement and the Subsidiary Guaranty required to be performed or complied with by the Company and each such Subsidiary Guarantor prior to or at each Closing, and after giving effect to the issue and sale of the Series A Notes (and the application of the proceeds thereof as contemplated by Section 5.14), no Default or Event of Default shall have occurred and be continuing. Neither the Company nor any Subsidiary shall have entered into any transaction since the date of the Memorandum that would have been prohibited by Section 10 hereof had such Sections applied since such date.

Section 4.3. Compliance Certificates.

(a) *Officer's Certificate of the Company.* The Company shall have delivered to such Purchaser an Officer's Certificate, dated the Closing Date, certifying that the conditions specified in Sections 4.1, 4.2 and 4.9 have been fulfilled.

(b) *Secretary's Certificate of the Company.* The Company shall have delivered to such Purchaser a certificate, dated the Closing Date, certifying as to the resolutions attached thereto and other corporate proceedings relating to the authorization, execution and delivery of the Series A Notes and this Agreement.

(c) *Officer's Certificate of the Subsidiary Guarantors.* Each Subsidiary Guarantor shall have delivered to such Purchaser an Officer's Certificate, dated the Closing Date, certifying that the conditions specified in Sections 4.1(b), 4.2 and 4.9 have been fulfilled.

(d) *Secretary's Certificate of the Subsidiary Guarantors.* Each Subsidiary Guarantor shall have delivered to such Purchaser a certificate, dated the Closing Date, certifying as to the

resolutions attached thereto and other corporate proceedings relating to the authorization, execution and delivery of the Subsidiary Guaranty.

Section 4.4. Opinions of Counsel. Such Purchaser shall have received opinions in form and substance satisfactory to such Purchaser, dated the Closing Date (a) from Joel McCarty, General Counsel of the Company, covering the matters set forth in Exhibit 4.4(a) and covering such other matters incident to the transactions contemplated hereby as such Purchaser or its counsel may reasonably request (and the Company hereby instructs its counsel to deliver such opinion to the Purchasers), (b) from Womble Carlyle Sandridge & Rice, PLLC, special North Carolina counsel for the Company, covering the matters set forth in Exhibit 4.4(b) and covering such other matters incident to the transactions contemplated hereby as such Purchaser or its counsel may reasonably request (and the Company hereby instructs its counsel to deliver such opinion to the Purchasers), and (c) from Chapman and Cutler LLP, the Purchasers' special counsel in connection with such transactions, substantially in the form set forth in Exhibit 4.4(c) and covering such other matters incident to such transactions as such Purchaser may reasonably request.

Section 4.5. Purchase Permitted By Applicable Law, Etc. On the date of each Closing such Purchaser's purchase of Series A Notes shall (a) be permitted by the laws and regulations of each jurisdiction to which such Purchaser is subject, without recourse to provisions (such as section 1405(a)(8) of the New York Insurance Law) permitting limited investments by insurance companies without restriction as to the character of the particular investment, (b) not violate any applicable law or regulation (including, without limitation, Regulation T, U or X of the Board of Governors of the Federal Reserve System) and (c) not subject such Purchaser to any tax, penalty or liability under or pursuant to any applicable law or regulation, which law or regulation was not in effect on the date hereof. If requested by such Purchaser, such Purchaser shall have received an Officer's Certificate certifying as to such matters of fact as such Purchaser may reasonably specify to enable such Purchaser to determine whether such purchase is so permitted.

Section 4.6. Sale of Other Notes. Contemporaneously with each Closing the Company shall sell to each other Purchaser and each other Purchaser shall purchase the Series A Notes to be purchased by it at such Closing as specified in Schedule A.

Section 4.7. Payment of Special Counsel Fees. Without limiting the provisions of Section 15.1, the Company shall have paid on or before each Closing Date, the reasonable fees, reasonable charges and reasonable disbursements of the Purchasers' special counsel referred to in Section 4.4 to the extent reflected in a statement of such counsel rendered to the Company at least one Business Day prior to each Closing Date.

Section 4.8. Private Placement Number. A Private Placement Number issued by Standard & Poor's CUSIP Service Bureau (in cooperation with the Securities Valuation Office of the National Association of Insurance Commissioners) shall have been obtained for each tranche of Notes.

Section 4.9. Changes in Corporate Structure. Neither the Company nor any Subsidiary Guarantor shall have changed its jurisdiction of organization or, except as reflected in Schedule

4.9, been a party to any merger or consolidation, or shall have succeeded to all or any substantial part of the liabilities of any other entity, at any time following the date of the most recent financial statements referred to in Schedule 5.5.

Section 4.10. Subsidiary Guaranty. The Subsidiary Guaranty shall have been duly authorized, executed and delivered by each Subsidiary Guarantor, shall constitute the legal, valid and binding contract and agreement of each Subsidiary Guarantor and such Purchaser shall have received a true, correct and complete copy thereof.

Section 4.11. Funding Instructions. At least three Business Days prior to the date of each Closing, each Purchaser shall have received written instructions signed by a Responsible Officer on letterhead of the Company confirming the information specified in Section 3 including (i) the name and address of the transferee bank, (ii) such transferee bank's ABA number and (iii) the account name and number into which the purchase price for the Series A Notes is to be deposited.

Section 4.12. Proceedings and Documents. All corporate and other organizational proceedings in connection with the transactions contemplated by this Agreement and all documents and instruments incident to such transactions shall be satisfactory to such Purchaser and its special counsel, and such Purchaser and its special counsel shall have received all such counterpart originals or certified or other copies of such documents as such Purchaser or such special counsel may reasonably request.

SECTION 5. REPRESENTATIONS AND WARRANTIES OF THE COMPANY.

The Company represents and warrants to each Purchaser that:

Section 5.1. Organization; Power and Authority. The Company is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation, and is duly qualified as a foreign corporation and is in good standing in each jurisdiction in which such qualification is required by law, other than those jurisdictions as to which the failure to be so qualified or in good standing would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. The Company has the corporate power and authority to own or hold under lease the properties it purports to own or hold under lease, to transact the business it transacts and proposes to transact, to execute and deliver this Agreement and the Series A Notes and to perform the provisions hereof and thereof.

Section 5.2. Authorization, Etc. This Agreement and the Notes to be issued on each Closing Date have been duly authorized by all necessary corporate action on the part of the Company, and this Agreement constitutes, and upon execution and delivery thereof each such Note will constitute, a legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except as such enforceability may be limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

Section 5.3. Disclosure. The Company, through its agent, Banc of America Securities LLC, has delivered to you and each Other Purchaser a copy of a Private Placement Memorandum, dated February, 2005 (the “*Memorandum*”), relating to the transactions contemplated hereby. The Memorandum fairly describes, in all material respects, the general nature of the business and principal properties of the Company and its Subsidiaries. This Agreement, the Memorandum, the documents, certificates or other writings delivered to the Purchasers by or on behalf of the Company in connection with the transactions contemplated hereby and the financial statements listed in Schedule 5.5, in each case, delivered to the Purchasers prior to February 8, 2005 (this Agreement, the Memorandum and such documents, certificates or other writings and such financial statements being referred to, collectively, as the “**Disclosure Documents**”), taken as a whole, do not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein not misleading in light of the circumstances under which they were made. Except as disclosed in the Disclosure Documents, since December 31, 2003, there has been no change in the financial condition, operations, business or properties of the Company or any of its Subsidiaries except changes that individually or in the aggregate would not reasonably be expected to have a Material Adverse Effect. There is no fact known to the Company that would reasonably be expected to have a Material Adverse Effect that has not been set forth herein or in the Disclosure Documents.

Section 5.4. Organization and Ownership of Shares of Subsidiaries; Affiliates. (a) Schedule 5.4 contains (except as noted therein) complete and correct lists (i) of the Company’s Subsidiaries, showing, as to each Subsidiary, the correct name thereof, the jurisdiction of its organization, and the percentage of shares of each class of its capital stock or similar equity interests outstanding owned by the Company and each other Subsidiary, and all other Investments of the Company and its Subsidiaries, (ii) of the Company’s Affiliates, other than Subsidiaries, and (iii) of the Company’s directors and senior officers.

(b) All of the outstanding shares of capital stock or similar equity interests of each Subsidiary shown in Schedule 5.4 as being owned by the Company and its Subsidiaries have been validly issued, are fully paid and nonassessable and are owned by the Company or another Subsidiary free and clear of any Lien (except as otherwise disclosed in Schedule 5.4).

(c) Each Subsidiary identified in Schedule 5.4 is a corporation or other legal entity duly organized, validly existing and in good standing under the laws of its jurisdiction of organization, and is duly qualified as a foreign corporation or other legal entity and is in good standing in each jurisdiction in which such qualification is required by law, other than those jurisdictions as to which the failure to be so qualified or in good standing would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Each such Subsidiary has the corporate or other power and authority to own or hold under lease the properties it purports to own or hold under lease and to transact the business it transacts and proposes to transact.

(d) No Subsidiary is a party to, or otherwise subject to, any legal restriction or any agreement (other than this Agreement, the agreements listed on Schedule 5.4 and customary limitations imposed by corporate law statutes) restricting the ability of such Subsidiary to pay dividends out of profits or make any other similar distributions of profits to the Company or any

of its Subsidiaries that owns outstanding shares of capital stock or similar equity interests of such Subsidiary.

Section 5.5. Financial Statements; Material Liabilities. The Company has delivered to each Purchaser copies of the financial statements of the Company and its Subsidiaries listed on Schedule 5.5. All of said financial statements (including in each case the related schedules and notes) fairly present in all material respects the consolidated financial position of the Company and its Subsidiaries as of the respective dates specified in such Schedule and the consolidated results of their operations and cash flows for the respective periods so specified and have been prepared in accordance with GAAP consistently applied throughout the periods involved except as set forth in the notes thereto (subject, in the case of any interim financial statements, to normal year-end adjustments). The Company and its Subsidiaries do not have any Material liabilities that are not disclosed on such financial statements or otherwise disclosed in the Disclosure Documents.

Section 5.6. Compliance with Laws, Other Instruments, Etc. The execution, delivery and performance by the Company of this Agreement and the Series A Notes will not (a) contravene, result in any breach of, or constitute a default under, or result in the creation of any Lien in respect of any property of the Company or any Subsidiary under, any indenture, mortgage, deed of trust, loan, purchase or credit agreement, lease, corporate charter or by-laws, or any other agreement or instrument to which the Company or any Subsidiary is bound or by which the Company or any Subsidiary or any of their respective properties may be bound or affected, (b) conflict with or result in a breach of any of the terms, conditions or provisions of any order, judgment, decree, or ruling of any court, arbitrator or Governmental Authority applicable to the Company or any Subsidiary, or (c) violate any provision of any material statute or other material rule or regulation of any Governmental Authority applicable to the Company or any Subsidiary.

Section 5.7. Governmental Authorizations, Etc. No consent, approval or authorization of, or registration, filing or declaration with, any Governmental Authority is required in connection with the execution, delivery or performance by the Company of this Agreement or the Series A Notes.

Section 5.8. Litigation; Observance of Agreements, Statutes and Orders. (a) There are no actions, suits, investigations or proceedings pending or, to the knowledge of the Company, threatened against or affecting the Company or any Subsidiary or any property of the Company or any Subsidiary in any court or before any arbitrator of any kind or before or by any Governmental Authority that, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect.

(b) Neither the Company nor any Subsidiary is in default under any term of any agreement or instrument to which it is a party or by which it is bound, or any order, judgment, decree or ruling of any court, arbitrator or Governmental Authority or is in violation of any applicable law, ordinance, rule or regulation (including without limitation Environmental Laws or the USA Patriot Act) of any Governmental Authority, which default or violation, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect.

Section 5.9. Taxes. The Company and its Subsidiaries have filed all tax returns that are required to have been filed in any jurisdiction, and have paid all taxes shown to be due and payable on such returns and all other taxes and assessments levied upon them or their properties, assets, income or franchises, to the extent such taxes and assessments have become due and payable and before they have become delinquent, except for any taxes and assessments (a) the amount of which is not individually or in the aggregate Material or (b) the amount, applicability or validity of which is currently being contested in good faith by appropriate proceedings and with respect to which the Company or a Subsidiary, as the case may be, has established adequate reserves in accordance with GAAP. The Company knows of no basis for any other tax or assessment that would reasonably be expected to have a Material Adverse Effect. The charges, accruals and reserves on the books of the Company and its Subsidiaries in respect of federal, state or other taxes for all fiscal periods are adequate. The federal income tax liabilities of the Company and its Subsidiaries have been finally determined (whether by reason of completed audits or the statute of limitations having run) for all fiscal years up to and including the fiscal year ended December 31, 2000.

Section 5.10. Title to Property; Leases. The Company and its Subsidiaries have good and sufficient title to their respective properties which the Company and its Subsidiaries own or purport to own that individually or in the aggregate are Material, including all such properties reflected in the most recent audited balance sheet referred to in Section 5.5 or purported to have been acquired by the Company or any Subsidiary after said date (except as sold or otherwise disposed of in the ordinary course of business), in each case free and clear of Liens prohibited by this Agreement. All leases that individually or in the aggregate are Material are valid and subsisting and are in full force and effect in all material respects.

Section 5.11. Licenses, Permits, Etc. Except as disclosed in Schedule 5.11,

(a) the Company and its Subsidiaries own or possess all licenses, permits, franchises, authorizations, patents, copyrights, proprietary software, service marks, trademarks and trade names, or rights thereto, that individually or in the aggregate are Material, without known conflict with the rights of others;

(b) to the best knowledge of the Company, no product of the Company or any of its Subsidiaries infringes in any Material respect any license, permit, franchise, authorization, patent, copyright, proprietary software, service mark, trademark, trade name or other right owned by any other Person; and

(c) to the best knowledge of the Company, there is no Material violation by any Person of any right of the Company or any of its Subsidiaries with respect to any patent, copyright, proprietary software, service mark, trademark, trade name or other right owned or used by the Company or any of its Subsidiaries.

Section 5.12. Compliance with ERISA. (a) The Company and each ERISA Affiliate have operated and administered each Plan in compliance with all applicable laws except for such instances of noncompliance as have not resulted in and would not reasonably be expected to result in a Material Adverse Effect. Neither the Company nor any ERISA Affiliate has incurred

any liability pursuant to Title I or IV of ERISA or the penalty or excise tax provisions of the Code relating to employee benefit plans (as defined in section 3 of ERISA), and no event, transaction or condition has occurred or exists that would reasonably be expected to result in the incurrence of any such liability by the Company or any ERISA Affiliate, or in the imposition of any Lien on any of the rights, properties or assets of the Company or any ERISA Affiliate, in either case pursuant to Title I or IV of ERISA or to such penalty or excise tax provisions or to section 401(a)(29) or 412 of the Code or section 4068 of ERISA, other than such liabilities or Liens as would not be individually or in the aggregate Material.

(b) Neither the Company nor any ERISA Affiliate maintains, contributes to or has any liability with respect to any Plan, which is subject to Title IV of ERISA.

(c) The Company and its ERISA Affiliates have not incurred any withdrawal liabilities (and are not subject to contingent withdrawal liabilities) under section 4201 or 4204 of ERISA in respect of Multiemployer Plans that individually or in the aggregate are Material.

(d) The expected post-retirement benefit obligation (determined as of the last day of the Company's most recently ended fiscal year in accordance with Financial Accounting Standards Board Statement No. 106, without regard to liabilities attributable to continuation coverage mandated by section 4980B of the Code) of the Company and its Subsidiaries is not Material.

(e) The execution and delivery of this Agreement and the issuance and sale of the Series A Notes hereunder will not involve any transaction that is subject to the prohibitions of Section 406 of ERISA or in connection with which a tax would be imposed pursuant to Section 4975(c)(1)(A)-(D) of the Code. The representation by the Company in the first sentence of this Section 5.12(e) is made in reliance upon and subject to the accuracy of each Purchaser's representation in Section 6.2 as to the sources of the funds to be used to pay the purchase price of the Series A Notes to be purchased by such Purchaser.

Section 5.13. Private Offering by the Company. Neither the Company nor anyone acting on the Company's behalf has offered the Series A Notes or any similar securities for sale to, or solicited any offer to buy any of the same from, or otherwise approached or negotiated in respect thereof with, any Person other than the Purchasers and not more than 1 other Institutional Investors, each of which has been offered the Series A Notes in connection with a private sale for investment. Neither the Company nor anyone acting on its behalf has taken, or will take, any action that would subject the issuance or sale of the Series A Notes to the registration requirements of Section 5 of the Securities Act or to the registration requirements of any securities or blue sky laws of any applicable jurisdiction.

Section 5.14. Use of Proceeds; Margin Regulations. The Company will apply the proceeds of the sale of the Series A Notes to refinance existing indebtedness and for general corporate purposes of the Company. No part of the proceeds from the sale of the Series A Notes hereunder will be used, directly or indirectly, for the purpose of buying or carrying any margin stock within the meaning of Regulation U of the Board of Governors of the Federal Reserve System (12 CFR 221), or for the purpose of buying or carrying or trading in any securities under such circumstances as to involve the Company in a violation of Regulation X of said Board

(12 CFR 224) or to involve any broker or dealer in a violation of Regulation T of said Board (12 CFR 220). Margin stock does not constitute more than 5% of the value of the consolidated assets of the Company and its Subsidiaries and the Company does not have any present intention that margin stock will constitute more than 5% of the value of such assets. As used in this Section, the terms “margin stock” and “purpose of buying or carrying” shall have the meanings assigned to them in said Regulation U.

Section 5.15. Existing Debt; Future Liens. (a) Except as described therein, Schedule 5.15 sets forth a complete and correct list of all outstanding Debt of the Company and its Subsidiaries as of December 31, 2004, since which date there has been no Material change in the amounts, interest rates, sinking funds, installment payments or maturities of the Debt of the Company or its Subsidiaries. Neither the Company nor any Subsidiary is in default and no waiver of default is currently in effect, in the payment of any principal or interest on any Debt of the Company or such Subsidiary, and no event or condition exists with respect to any Debt of the Company or any Subsidiary, that would permit (or that with notice or the lapse of time, or both, would permit) one or more Persons to cause such Debt to become due and payable before its stated maturity or before its regularly scheduled dates of payment.

(b) Except as disclosed in Schedule 5.15, neither the Company nor any Subsidiary has agreed or consented to cause or permit in the future (upon the happening of a contingency or otherwise) any of its property, whether now owned or hereafter acquired, to be subject to a Lien not permitted by Section 10.4.

(c) Neither the Company nor any Subsidiary is a party to, or otherwise subject to any provision contained in, any instrument evidencing Debt of the Company or such Subsidiary, any agreement relating thereto or any other agreement (including, but not limited to, its charter or other organizational document) which limits the amount of, or otherwise imposes restrictions on the incurring of, Debt of the Company, except as specifically indicated in Schedule 5.15.

Section 5.16. Foreign Assets Control Regulations, Etc. (a) Neither the sale of the Series A Notes by the Company hereunder nor its use of the proceeds thereof will violate the Trading with the Enemy Act, as amended, or any of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) or any enabling legislation or executive order relating thereto.

(b) Neither the Company nor any Subsidiary is a Person described or designated in the Specially Designated Nationals and Blocked Persons List of the Office of Foreign Assets Control or in Section 1 of the Anti-Terrorism Order. The Company and its Subsidiaries are in compliance, in all material respects, with the USA Patriot Act.

(c) No part of the proceeds from the sale of the Series A Notes hereunder will be used, directly or indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977, as amended, assuming in all cases that such Act applies to the Company.

Section 5.17. Status under Certain Statutes. Neither the Company nor any Subsidiary is an “investment company” registered or required to be registered under the Investment Company Act of 1940, as amended, or is subject to regulation under the Public Utility Holding Company Act of 1935, as amended, the ICC Termination Act of 1995, as amended, or the Federal Power Act, as amended.

Section 5.18. Environmental Matters. (a) Neither the Company nor any Subsidiary has knowledge of any liability or has received any notice of any liability, and no proceeding has been instituted raising any liability against the Company or any of its Subsidiaries or any of their respective real properties now or formerly owned, leased or operated by any of them, or other assets, alleging any damage to the environment or violation of any Environmental Laws, except, in each case, such as would not reasonably be expected to result in a Material Adverse Effect.

(b) Neither the Company nor any Subsidiary has knowledge of any facts which would give rise to any liability, public or private, of violation of Environmental Laws or damage to the environment emanating from, occurring on or in any way related to real properties now or formerly owned, leased or operated by any of them or to other assets or their use, except, in each case, such as would not reasonably be expected to result in a Material Adverse Effect.

(c) Neither the Company nor any of its Subsidiaries has stored any Hazardous Materials on real properties now or formerly owned, leased or operated by any of them or has disposed of any Hazardous Materials in each case in a manner contrary to any Environmental Laws in each case in any manner that would reasonably be expected to result in a Material Adverse Effect.

(d) All buildings on all real properties now owned, leased or operated by the Company or any of its Subsidiaries are in compliance with applicable Environmental Laws, except where failure to comply would not reasonably be expected to result in a Material Adverse Effect.

Section 5.19. Notes Rank Pari Passu. The obligations of the Company under this Agreement and the Notes rank *pari passu* in right of payment with all other senior unsecured Debt (actual or contingent) of the Company, including, without limitation, all senior unsecured Debt of the Company described in Schedule 5.15 hereto.

SECTION 6. REPRESENTATIONS OF THE PURCHASER.

Section 6.1. Purchase for Investment. Each Purchaser severally represents that it is purchasing the Series A Notes for its own account or for one or more separate accounts maintained by it or for the account of one or more pension or trust funds and not with a view to the distribution thereof (other than any Notes purchased by Banc of America Securities LLC on the Closing Date which are intended to be resold to a “qualified institutional buyer” pursuant to Rule 144A of the Securities Act), *provided* that the disposition of such Purchaser’s or such pension or trust funds’ property shall at all times be within such Purchaser’s or such pension or trust funds’ control. Each Purchaser understands that the Series A Notes have not been registered under the Securities Act and may be resold only if registered pursuant to the

provisions of the Securities Act or if an exemption from registration is available, except under circumstances where neither such registration nor such an exemption is required by law, and that the Company is not required to register the Series A Notes.

Section 6.2. Accredited Investor. Each Purchaser represents that it is an “accredited investor” (as defined in Rule 501(a)(1), (2), (3) or (7) of Regulation D under the Securities Act acting for its own account (and not for the account of others) or as a fiduciary or agent for others (which others are also “accredited investors”). Each Purchaser further represents that such Purchaser has had the opportunity to ask questions of the Company and received answers concerning the terms and conditions of the sale of the Series A Notes.

Section 6.3. Source of Funds. Each Purchaser severally represents that at least one of the following statements is an accurate representation as to each source of funds (a “Source”) to be used by such Purchaser to pay the purchase price of the Series A Notes to be purchased by such Purchaser hereunder:

(a) the Source is an “insurance company general account” (as the term is defined in the United States Department of Labor’s Prohibited Transaction Exemption (“PTE”) 95-60) in respect of which the reserves and liabilities (as defined by the annual statement for life insurance companies approved by the National Association of Insurance Commissioners (the “NAIC Annual Statement”) for the general account contract(s) held by or on behalf of any employee benefit plan together with the amount of the reserves and liabilities for the general account contract(s) held by or on behalf of any other employee benefit plans maintained by the same employer (or affiliate thereof as defined in PTE 95-60) or by the same employee organization in the general account do not exceed 10% of the total reserves and liabilities of the general account (exclusive of separate account liabilities) plus surplus as set forth in the NAIC Annual Statement filed with such Purchaser’s state of domicile; or

(b) the Source is a separate account that is maintained solely in connection with such Purchaser’s fixed contractual obligations under which the amounts payable, or credited, to any employee benefit plan (or its related trust) that has any interest in such separate account (or to any participant or beneficiary of such plan (including any annuitant)) are not affected in any manner by the investment performance of the separate account; or

(c) the Source is either (i) an insurance company pooled separate account, within the meaning of PTE 90-1 or (ii) a bank collective investment fund, within the meaning of the PTE 91-38 and, except as disclosed by such Purchaser to the Company in writing pursuant to this clause (c), no employee benefit plan or group of plans maintained by the same employer or employee organization beneficially owns more than 10% of all assets allocated to such pooled separate account or collective investment fund; or

(d) the Source constitutes assets of an “investment fund” (within the meaning of Part V of PTE 84-14 (the “QPAM Exemption”)) managed by a “qualified professional asset manager” or “QPAM” (within the meaning of Part V of the QPAM Exemption), no

employee benefit plan's assets that are included in such investment fund, when combined with the assets of all other employee benefit plans established or maintained by the same employer or by an affiliate (within the meaning of Section V(c)(1) of the QPAM Exemption) of such employer or by the same employee organization and managed by such QPAM, exceed 20% of the total client assets managed by such QPAM, the conditions of Part I(c) and (g) of the QPAM Exemption are satisfied, neither the QPAM nor a person controlling or controlled by the QPAM (applying the definition of "control" in Section V(e) of the QPAM Exemption) owns a 5% or more interest in the Company and (i) the identity of such QPAM and (ii) the names of all employee benefit plans whose assets are included in such investment fund have been disclosed to the Company in writing pursuant to this clause (d); or

(e) the Source constitutes assets of a "plan(s)" (within the meaning of Section IV of PTE 96-23 (the "INHAM Exemption")) managed by an "in-house asset manager" or "INHAM" (within the meaning of Part IV of the INHAM exemption), the conditions of Part I(a), (g) and (h) of the INHAM Exemption are satisfied, neither the INHAM nor a person controlling or controlled by the INHAM (applying the definition of "control" in Section IV(d) of the INHAM Exemption) owns a 5% or more interest in the Company and (i) the identity of such INHAM and (ii) the name(s) of the employee benefit plan(s) whose assets constitute the Source have been disclosed to the Company in writing pursuant to this clause (e); or

(f) the Source is a governmental plan; or

(g) the Source is one or more employee benefit plans, or a separate account or trust fund comprised of one or more employee benefit plans, each of which has been identified to the Company in writing pursuant to this clause (g); or

(h) the Source does not include assets of any employee benefit plan, other than a plan exempt from the coverage of ERISA.

As used in this Section 6.3, the terms "employee benefit plan," "governmental plan," and "separate account" shall have the respective meanings assigned to such terms in section 3 of ERISA.

SECTION 7. INFORMATION AS TO COMPANY.

Section 7.1. Financial and Business Information. The Company shall deliver to each holder of Notes that is an Institutional Investor:

(a) *Quarterly Statements* — within 60 days after the end of each quarterly fiscal period in each fiscal year of the Company (other than the last quarterly fiscal period of each such fiscal year),

(i) a consolidated balance sheet of the Company and its Subsidiaries as at the end of such quarter, and

(ii) consolidated statements of income, changes in shareholders' equity and cash flows of the Company and its Subsidiaries, for such quarter and (in the case of the second and third quarters) for the portion of the fiscal year ending with such quarter,

setting forth in each case in comparative form the figures for the corresponding periods in the previous fiscal year, all in reasonable detail, prepared in accordance with GAAP applicable to quarterly financial statements generally, and certified by a Senior Financial Officer as fairly presenting, in all material respects, the financial position of the companies being reported on and their results of operations and cash flows, subject to changes resulting from year-end adjustments, *provided* that filing with the Securities and Exchange Commission within the time period specified above the Company's Quarterly Report on Form 10-Q prepared in compliance with the requirements therefor and on its home page on the worldwide web (at the date of this Agreement located at: <http://www.odfl.com>) (such availability thereof being referred to as "Electronic Delivery"); shall be deemed to satisfy the requirements of this Section 7.1(a);

(b) *Annual Statements* — within 105 days after the end of each fiscal year of the Company,

(i) a consolidated balance sheet of the Company and its Subsidiaries, as at the end of such year, and

(ii) consolidated statements of income, changes in shareholders' equity and cash flows of the Company and its Subsidiaries, for such year,

setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail, prepared in accordance with GAAP, and accompanied by an opinion thereon of independent certified public accountants of recognized national standing, which opinion shall state that such financial statements present fairly, in all material respects, the consolidated financial position of the companies being reported upon and their results of operations and cash flows and have been prepared in conformity with GAAP, and that the examination of such accountants in connection with such financial statements has been made in accordance with generally accepted auditing standards, and that such audit provides a reasonable basis for such opinion in the circumstances, *provided* that filing with the Securities and Exchange Commission within the time period specified above of the Company's Annual Report on Form 10-K for such fiscal year (together with the Company's annual report to shareholders, if any, prepared pursuant to Rule 14a-3 under the Exchange Act) prepared in accordance with the requirements therefor; shall be deemed to satisfy the requirements of this Section 7.1(b) if it shall have timely made Electronic Delivery thereof;

(c) *SEC and Other Reports* — in addition to the filings referred to in Section 7.1(a) and (b) above, promptly upon their becoming available and, to the extent applicable, one copy of (i) each financial statement, report, notice or proxy statement sent by the Company or any Subsidiary to public securities holders generally, and (ii) each

regular or periodic report, each registration statement (without exhibits except as expressly requested by such holder), and each prospectus and all amendments thereto filed by the Company or any Subsidiary with the Securities and Exchange Commission and of all press releases and other statements made available generally by the Company or any Subsidiary to the public concerning developments that are Material provided that the Company shall be deemed to have made such delivery of such filings if it shall have timely made Electronic Delivery thereof and shall have given each Purchaser notice of such availability on “EDGAR” and on its home page in connection with each delivery;

(d) *Notice of Default or Event of Default* — promptly, and in any event within five Business Days after a Responsible Officer becomes aware of the existence of any Default or Event of Default or that any Person has given any notice or taken any action with respect to a claimed default hereunder or that any Person has given any notice or taken any action with respect to a claimed default of the type referred to in Section 11(f), a written notice specifying the nature and period of existence thereof and what action the Company is taking or proposes to take with respect thereto;

(e) *ERISA Matters* — promptly, and in any event within five Business Days after a Responsible Officer becomes aware of any of the following, a written notice setting forth the nature thereof and the action, if any, that the Company or an ERISA Affiliate proposes to take with respect thereto:

(i) with respect to any Plan, any reportable event, as defined in Section 4043(c) of ERISA and the regulations thereunder, for which notice thereof has not been waived pursuant to such regulations as in effect on the date thereof; or

(ii) the taking by the PBGC of steps to institute, or the threatening by the PBGC of the institution of, proceedings under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Plan, or the receipt by the Company or any ERISA Affiliate of a notice from a Multiemployer Plan that such action has been taken by the PBGC with respect to such Multiemployer Plan; or

(iii) any event, transaction or condition that would result in the incurrence of any liability by the Company or any ERISA Affiliate pursuant to Title I or IV of ERISA or the imposition of a penalty or excise tax under the provisions of the Code relating to employee benefit plans, or the imposition of any Lien on any of the rights, properties or assets of the Company or any ERISA Affiliate pursuant to Title I or IV of ERISA or such penalty or excise tax provisions, if such liability or Lien, taken together with any other such liabilities or Liens then existing, would reasonably be expected to have a Material Adverse Effect;

(f) *Notices from Governmental Authority* — promptly, and in any event within 30 days of receipt thereof, copies of any notice to the Company or any Subsidiary

from any federal or state Governmental Authority relating to any order, ruling, statute or other law or regulation that would reasonably be expected to have a Material Adverse Effect;

(g) *Supplements* — promptly and in any event within 10 Business Days after the execution and delivery of any Supplement, a copy thereof; and

(h) *Requested Information* — with reasonable promptness, such other data and information relating to the business, operations, affairs, financial condition, assets or properties of the Company or any of its Subsidiaries or relating to the ability of the Company to perform its obligations hereunder and under the Notes as from time to time may be reasonably requested by any such holder of Notes.

Section 7.2. Officer's Certificate. Each set of financial statements delivered to a holder of Notes pursuant to Section 7.1(a) or Section 7.1(b) hereof shall be accompanied by a certificate of a Senior Financial Officer setting forth:

(a) *Covenant Compliance* — the information required in order to establish whether the Company was in compliance with the requirements of Section 10.1 through Section 10.6 hereof, inclusive, during the quarterly or annual period covered by the statements then being furnished (including with respect to each such Section, where applicable, the calculations of the maximum or minimum amount, ratio or percentage, as the case may be, permissible under the terms of such Sections, and the calculation of the amount, ratio or percentage then in existence); and

(b) *Event of Default* — a statement that such officer has reviewed the relevant terms hereof and such review shall not have disclosed the existence during the quarterly or annual period covered by the statements then being furnished of any condition or event that constitutes a Default or an Event of Default or, if any such condition or event existed or exists, specifying the nature and period of existence thereof and what action the Company shall have taken or proposes to take with respect thereto.

Section 7.3. Visitation. The Company shall permit the representatives of each holder of Notes that is an Institutional Investor:

(a) *No Default* — if no Default or Event of Default then exists, at the expense of such holder and upon reasonable prior notice to the Company, to visit the principal executive office of the Company, to discuss the affairs, finances and accounts of the Company and its Subsidiaries with the Company's officers, and (with the consent of the Company, which consent will not be unreasonably withheld) its independent public accountants, and (with the consent of the Company, which consent will not be unreasonably withheld) to visit the other offices and properties of the Company and each Subsidiary, all at such reasonable times and as often as may be reasonably requested in writing; and

(b) *Default* — if a Default or Event of Default then exists, at the expense of the Company, to visit and inspect any of the offices or properties of the Company or any Subsidiary, to examine all their respective books of account, records, reports and other papers, to make copies and extracts therefrom, and to discuss their respective affairs, finances and accounts with their respective officers and independent public accountants (and by this provision the Company authorizes said accountants to discuss the affairs, finances and accounts of the Company and its Subsidiaries), all at such times and as often as may be requested.

SECTION 8. PAYMENT OF THE NOTES.

Section 8.1. Required Prepayments. (a) On February 25, 2009 and on each February 25 thereafter to and including February 25, 2014, the Company will prepay \$7,142,857 principal amount (or such lesser principal amount as shall then be outstanding) of the Tranche A Notes at par and without payment of the Make-Whole Amount or any premium. The entire unpaid principal amount of the Tranche A Notes shall become due and payable on February 25, 2015.

(b) On February 25, 2009 and on each February 25 thereafter to and including February 25, 2014, the Company will prepay \$3,571,428 principal amount (or such lesser principal amount as shall then be outstanding) of the Tranche B Notes at par and without payment of the Make-Whole Amount or any premium. The entire unpaid principal amount of the Tranche B Notes shall become due and payable on February 25, 2015.

(c) Upon any partial prepayment of the Series A Notes pursuant to Section 8.2 or any purchase of less than all the Series A Notes pursuant to Section 8.5, the principal amount of each required prepayment of the Series A Notes becoming due under this Section 8.1 on and after the date of such prepayment or purchase shall be reduced in the same proportion as the aggregate unpaid principal amount of the Series A Notes is reduced as a result of such prepayment or purchase.

Section 8.2. Optional Prepayments with Make-Whole Amount. The Company may, at its option, upon notice as provided below, prepay at any time all, or from time to time any part of the Notes of all Series, in an amount not less than 10% of the original aggregate principal amount of the Notes to be prepaid in the case of a partial prepayment (or such lesser amount as shall be required to effect a partial prepayment resulting from an offer of prepayment pursuant to Section 10.5), at 100% of the principal amount so prepaid, together with interest accrued thereon to the date of such prepayment, plus the applicable Make-Whole Amount determined for the prepayment date with respect to such principal amount of each Note then outstanding. The Company will give each holder of Notes written notice of each optional prepayment under this Section 8.2 not less than 30 days and not more than 60 days prior to the date fixed for such prepayment. Each such notice shall specify such date, the aggregate principal amount of the Notes of each Series to be prepaid on such date, the principal amount of each Note of each Series held by such holder to be prepaid (determined in accordance with Section 8.3), and the interest to be paid on the prepayment date with respect to such principal amount being prepaid, and shall be accompanied by a certificate of a Senior Financial Officer as to the estimated respective Make-Whole Amount due in connection with such prepayment (calculated as if the date of such

notice were the date of the prepayment), setting forth the details of such computation. Two Business Days prior to such prepayment, the Company shall deliver to each holder of Notes of the Series to be prepaid a certificate of a Senior Financial Officer specifying the calculation of each such Make-Whole Amount as of the specified prepayment date.

Section 8.3. Allocation of Partial Prepayments. In the case of each partial prepayment of the Notes pursuant to the provisions of Section 8.2, the principal amount of the Notes shall be allocated among all of the Notes at the time outstanding in proportion, as nearly as practicable, to the respective unpaid principal amounts thereof. All regularly scheduled partial prepayments made with respect to any Series of Additional Notes pursuant to any Supplement shall be allocated as provided therein.

Section 8.4. Maturity; Surrender, Etc. In the case of each prepayment of Notes pursuant to this Section 8, the principal amount of each Note to be prepaid shall mature and become due and payable on the date fixed for such prepayment, together with interest on such principal amount accrued to such date and the applicable Make-Whole Amount. From and after such date, unless the Company shall fail to pay such principal amount when so due and payable, together with the interest and Make-Whole Amount as aforesaid, interest on such principal amount shall cease to accrue. Any Note paid or prepaid in full shall be surrendered to the Company and cancelled and shall not be reissued, and no Note shall be issued in lieu of any prepaid principal amount of any Note.

Section 8.5. Purchase of Notes. The Company will not and will not permit any Affiliate to purchase, redeem, prepay or otherwise acquire, directly or indirectly, any of the outstanding Notes of any Series except (a) upon the payment or prepayment of the Notes of any Series in accordance with the terms of this Agreement (including any Supplement hereto) and the Notes or (b) pursuant to a written offer to purchase any outstanding Notes of all Series made by the Company or an Affiliate pro rata to the holders of the Notes of all Series upon the same terms and conditions (except that if such Series has more than one separate tranche, such written offer shall be allocated among all of the separate tranches of such Series at the time outstanding in proportion, as nearly as practicable, to the respective unpaid principal amounts thereof but such written offer may otherwise differ among such separate tranches and such written offer shall be made pro rata to the holders of the same tranches of such Series upon the same terms and conditions). The Company will promptly cancel all Notes acquired by it or any Affiliate pursuant to any payment, prepayment or purchase of Notes pursuant to any provision of this Agreement and no Notes may be issued in substitution or exchange for any such Notes.

Section 8.6. Make-Whole Amount for the Series A Notes. The term “*Make-Whole Amount*” means with respect to any Series A Note an amount equal to the excess, if any, of the Discounted Value of the Remaining Scheduled Payments with respect to the Called Principal of such Series A Note, *minus* the amount of such Called Principal, *provided* that the Make-Whole Amount may in no event be less than zero. For the purposes of determining the Make-Whole Amount, the following terms have the following meanings with respect to the Called Principal of such Series A Note:

“*Called Principal*” means, the principal of the Series A Note that is to be prepaid pursuant to Section 8.2 or has become or is declared to be immediately due and payable pursuant to Section 12.1, as the context requires.

“*Discounted Value*” means, the amount obtained by discounting all Remaining Scheduled Payments from their respective scheduled due dates to the Settlement Date with respect to such Called Principal, in accordance with accepted financial practice and at a discount factor (applied on the same periodic basis as that on which interest on such Series A Note is payable) equal to the Reinvestment Yield.

“*Reinvestment Yield*” means, 0.50% plus the yield to maturity calculated by using (i) the yields reported, as of 10:00 A.M. (New York City time) on the second Business Day preceding the Settlement Date on screen “PX-1” on the Bloomberg Financial Market Service (or such other information service as may replace Bloomberg) for actively traded U.S. Treasury securities having a maturity equal to the Remaining Average Life of such Called Principal as of such Settlement Date, or (ii) if such yields are not reported as of such time or the yields reported as of such time are not ascertainable, the Treasury Constant Maturity Series Yields reported, for the latest day for which such yields have been so reported as of the second Business Day preceding the Settlement Date, in Federal Reserve Statistical Release H.15 (519) (or any comparable successor publication) for actively traded U.S. Treasury securities having a constant maturity equal to the Remaining Average Life of such Called Principal as of such Settlement Date. In either case, the yield will be determined, if necessary, by (a) converting U.S. Treasury bill quotations to bond-equivalent yields in accordance with accepted financial practice and (b) interpolating linearly on a straight line basis between (1) the actively traded U.S. Treasury security with the maturity closest to and greater than the Remaining Average Life and (2) the actively traded U.S. Treasury security with the maturity closest to and less than the Remaining Average Life. The Reinvestment Yield shall be rounded to the number of decimal places as appears in the interest rate of the applicable Series A Note.

“*Remaining Average Life*” means, the number of years (calculated to the nearest one-twelfth year) obtained by dividing (i) such Called Principal into (ii) the sum of the products obtained by multiplying (a) the principal component of each Remaining Scheduled Payment by (b) the number of years (calculated to the nearest one-twelfth year) that will elapse between the Settlement Date and the scheduled due date of such Remaining Scheduled Payment.

“*Remaining Scheduled Payments*” means, all payments of such Called Principal and interest thereon that would be due after the Settlement Date if no payment of such Called Principal were made prior to its scheduled due date, *provided* that if such Settlement Date is not a date on which interest payments are due to be made under the terms of such Series A Note, then the amount of the next succeeding scheduled interest payment will be reduced by the amount of interest accrued to such Settlement Date and required to be paid on such Settlement Date pursuant to Section 8.2 or 12.1.

“*Settlement Date*” means, the date on which such Called Principal is to be prepaid pursuant to Section 8.2 or has become or is declared to be immediately due and payable pursuant to Section 12.1, as the context requires.

SECTION 9. AFFIRMATIVE COVENANTS.

The Company covenants that so long as any of the Notes are outstanding:

Section 9.1. Compliance with Law. The Company will, and will cause each of its Subsidiaries to, comply with all laws, ordinances or governmental rules or regulations to which each of them is subject, including, without limitation, ERISA, the USA Patriot Act and Environmental Laws, and will obtain and maintain in effect all licenses, certificates, permits, franchises and other governmental authorizations necessary to the ownership of their respective properties or to the conduct of their respective businesses, in each case to the extent necessary to ensure that non-compliance with such laws, ordinances or governmental rules or regulations or failures to obtain or maintain in effect such licenses, certificates, permits, franchises and other governmental authorizations would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

Section 9.2. Insurance. The Company will, and will cause each of its Subsidiaries to, maintain, with financially sound and reputable insurers, insurance with respect to their respective properties and businesses against such casualties and contingencies, of such types, on such terms and in such amounts (including deductibles, co-insurance and self-insurance, if adequate reserves are maintained with respect thereto) as is customary in the case of entities of established reputations engaged in the same or a similar business and similarly situated except for any non-maintenance that would not reasonably be expected to have a Material Adverse Effect.

Section 9.3. Maintenance of Properties. The Company will, and will cause each of its Subsidiaries to, maintain and keep, or cause to be maintained and kept, their respective properties in good repair, working order and condition (other than ordinary wear and tear), so that the business carried on in connection therewith may be properly conducted at all times, *provided* that this Section shall not prevent the Company or any Subsidiary from discontinuing the operation and the maintenance of any of its properties if such discontinuance is desirable in the conduct of its business and the Company has concluded that such discontinuance would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

Section 9.4. Payment of Taxes and Claims. The Company will, and will cause each of its Subsidiaries to, file all tax returns required to be filed in any jurisdiction and to pay and discharge all taxes shown to be due and payable on such returns and all other taxes, assessments, governmental charges, or levies imposed on them or any of their properties, assets, income or franchises, to the extent such taxes and assessments have become due and payable and before they have become delinquent and all claims for which sums have become due and payable that have or might become a Lien on properties or assets of the Company or any Subsidiary not permitted by Section 10.4, *provided* that neither the Company nor any Subsidiary need pay any such tax or assessment or claims if (i) the amount, applicability or validity thereof is contested by the Company or such Subsidiary on a timely basis in good faith and in appropriate

proceedings, and the Company or a Subsidiary has established adequate reserves therefor in accordance with GAAP on the books of the Company or such Subsidiary or (ii) the non-filing or nonpayment, as the case may be, of all such taxes and assessments in the aggregate would not reasonably be expected to have a Material Adverse Effect.

Section 9.5. Corporate Existence, Etc. Subject to Sections 10.5 and 10.6, the Company will at all times preserve and keep in full force and effect its corporate existence, and will at all times preserve and keep in full force and effect the corporate existence of each of its Subsidiaries (unless merged into the Company or a Subsidiary) and all rights and franchises of the Company and its Subsidiaries unless, in the good faith judgment of the Company, the termination of or failure to preserve and keep in full force and effect such corporate existence, right or franchise would not, individually or in the aggregate, have a Material Adverse Effect.

Section 9.6. Notes to Rank Pari Passu. The Notes and all other obligations under this Agreement of the Company are and at all times shall remain direct and unsecured obligations of the Company ranking *pari passu* as against the assets of the Company with all other Notes from time to time issued and outstanding hereunder without any preference among themselves and *pari passu* with all other present and future unsecured Debt (actual or contingent) of the Company which is not expressed to be subordinate or junior in rank to any other unsecured Debt of the Company.

Section 9.7. Additional Subsidiary Guarantors. The Company will cause any Subsidiary which is required by the terms of the Bank Credit Agreement to become a party to, or otherwise guarantee, Debt in respect of the Bank Credit Agreement, to enter into the Subsidiary Guaranty and deliver to each of the holders of the Notes (concurrently with such Subsidiary becoming a party to the Bank Credit Agreement or the execution and delivery of any such guarantee pursuant to the Bank Credit Agreement) the following items:

(a) a joinder agreement in respect of the Subsidiary Guaranty;

(b) a certificate signed by an authorized Responsible Officer of the Company making representations and warranties to the effect of those contained in Sections 5.4, 5.6 and 5.7, with respect to such Subsidiary and the Subsidiary Guaranty, as applicable; and

(c) an opinion of counsel (who may be in-house counsel for the Company) addressed to each of the holders of the Notes satisfactory to the Required Holders, to the effect that the Subsidiary Guaranty by such Person has been duly authorized, executed and delivered and that the Subsidiary Guaranty constitutes the legal, valid and binding contract and agreement of such Person enforceable in accordance with its terms, except as an enforcement of such terms may be limited by bankruptcy, insolvency, fraudulent conveyance and similar laws affecting the enforcement of creditors' rights generally and by general equitable principles, *provided* that such opinion may be limited to the laws of the State of North Carolina.

Section 9.8. Books and Records. The Company will, and will cause each of its Subsidiaries to, maintain proper books of record and account in conformity with GAAP and all applicable requirements of any Governmental Authority having legal or regulatory jurisdiction over the Company or such Subsidiary, as the case may be.

SECTION 10. NEGATIVE COVENANTS.

The Company covenants that so long as any of the Notes are outstanding:

Section 10.1. Fixed Charges Coverage Ratio. The Company will not permit the ratio of Consolidated EBITDAR to Consolidated Fixed Charges for each period of four consecutive fiscal quarters (calculated as at the end of each fiscal quarter for the four consecutive fiscal quarters then ended) to be less than 1.75 to 1.00.

Section 10.2. Consolidated Debt to Consolidated Total Capitalization. The Company will not, and will not permit any Subsidiary to, directly or indirectly, create, incur, assume, guarantee, or otherwise become directly or indirectly liable with respect to, any Debt, *unless* on the date the Company or such Subsidiary becomes liable with respect to any such Debt and immediately after giving effect thereto and the concurrent retirement of any other Debt,

- (a) no Default or Event of Default exists, and
- (b) Consolidated Debt does not exceed 60% of Consolidated Total Capitalization

For the purposes of this Section 10.2, any Person becoming a Subsidiary after the date hereof shall be deemed, at the time it becomes a Subsidiary, to have incurred all of its then outstanding Debt, and any Person extending, renewing or refunding any Debt shall be deemed to have incurred such Debt at the time of such extension, renewal or refunding.

Section 10.3. Priority Debt. The Company will not at any time permit the aggregate amount of all Priority Debt to exceed 20% of Consolidated Net Worth, determined as of the end of the then most recently ended fiscal quarter of the Company.

Section 10.4. Limitation on Liens. The Company will not, and will not permit any of its Subsidiaries to, directly or indirectly create, incur, assume or permit to exist (upon the happening of a contingency or otherwise) any Lien on or with respect to any property or asset (including, without limitation, any document or instrument in respect of goods or accounts receivable) of the Company or any such Subsidiary, whether now owned or held or hereafter acquired, or any income or profits therefrom, or assign or otherwise convey any right to receive income or profits (unless it makes, or causes to be made, effective provision whereby the Notes will be equally and ratably secured with any and all other obligations thereby secured, such security to be pursuant to an agreement reasonably satisfactory to the Required Holders and, in any such case, the Notes shall have the benefit, to the fullest extent that, and with such priority as, the holders of the Notes may be entitled under applicable law, of an equitable Lien on such property), except:

(a) Liens for taxes, assessments or other governmental charges that are not yet due and payable or the payment of which is not at the time required by Section 9.4;

(b) any attachment or judgment Lien, unless the judgment it secures shall not, within 60 days after the entry thereof, have been discharged or execution thereof stayed pending appeal, or shall not have been discharged within 60 days after the expiration of any such stay;

(c) Liens incidental to the conduct of business or the ownership of properties and assets (including landlords', carriers', warehousemen's, mechanics', materialmen's and other similar Liens for sums not yet due and payable) and Liens to secure the performance of bids, tenders, leases, or trade contracts, or to secure statutory obligations (including obligations under workers compensation, unemployment insurance and other social security legislation), surety or appeal bonds or other Liens incurred in the ordinary course of business and not in connection with the borrowing of money;

(d) leases or subleases granted to others, easements, rights-of-way, restrictions and other similar charges or encumbrances, in each case incidental to the ownership of property or assets or the ordinary conduct of the business of the Company or any of its Subsidiaries, or Liens incidental to minor survey exceptions and the like, *provided* that such Liens do not, in the aggregate, materially detract from the value of such property;

(e) Liens securing Debt of a Subsidiary to the Company or to a Subsidiary;

(f) Liens existing as of the date of Closing and reflected in Schedule 10.4;

(g) Liens incurred after the date of Closing given to secure the payment of all or any part of the purchase price, or the Debt incurred to finance the payment of such purchase price, in either case incurred or assumed in connection with the acquisition, construction or improvement of property (other than accounts receivable or inventory) useful and intended to be used in carrying on the business of the Company or a Subsidiary, including Liens existing on such property (or improvements thereon) at the time of acquisition or construction thereof or Liens incurred within 365 days of such acquisition or completion of such construction or improvement, *provided* that (i) the Lien shall attach solely to the property (or improvements thereon) acquired, purchased, constructed or improved; (ii) at the time of acquisition, construction or improvement of such property (or, in the case of any Lien incurred within three hundred sixty-five (365) days of such acquisition or completion of such construction or improvement, at the time of the incurrence of the Debt secured by such Lien), the aggregate amount remaining unpaid on all Debt secured by Liens on such property, whether or not assumed by the Company or a Subsidiary, shall not exceed the lesser of (y) the cost of such acquisition, construction or improvement or (z) the Fair Market Value of such property (as determined in good faith by one or more officers of the Company to whom authority to enter into the transaction has been delegated by the board of directors of the Company);

and (iii) at the time of such incurrence and after giving effect thereto, no Default or Event of Default would exist;

(h) any Lien existing on property of a Person immediately prior to its being consolidated with or merged into the Company or a Subsidiary or its becoming a Subsidiary, or any Lien existing on any property acquired by the Company or any Subsidiary at the time such property is so acquired (whether or not the Debt secured thereby shall have been assumed), *provided* that (i) no such Lien shall have been created or assumed in contemplation of such consolidation or merger or such Person's becoming a Subsidiary or such acquisition of property, (ii) each such Lien shall extend solely to the item or items of property so acquired and, if required by the terms of the instrument originally creating such Lien, other property which is an improvement to or is acquired for specific use in connection with such acquired property, and (iii) at the time of such incurrence and after giving effect thereto, no Default or Event of Default would exist;

(i) any extensions, renewals or replacements of any Lien permitted by the preceding subparagraphs (e), (f), (g) and (h) of this Section 10.4, *provided* that (i) no additional property shall be encumbered by such Liens, (ii) the unpaid principal amount of the Debt or other obligations secured thereby shall not be increased on or after the date of any extension, renewal or replacement, (iii) at such time and immediately after giving effect thereto, the Company or its Subsidiary could incur \$1.00 of additional Consolidated Debt under Section 10.2; and (iv) at such time and immediately after giving effect thereto, no Default or Event of Default shall have occurred and be continuing;

(j) Liens securing Priority Debt of the Company or any Subsidiary, *provided* that the aggregate principal amount of any such Priority Debt shall be permitted by Section 10.3.

Section 10.5. Sales of Assets. Except as permitted in Section 10.6, the Company will not, and will not permit any Subsidiary to, sell, lease or otherwise dispose of any substantial part (as defined below) of the assets of the Company and its Subsidiaries; *provided, however,* that the Company or any Subsidiary may sell, lease or otherwise dispose of assets constituting a substantial part of the assets of the Company and its Subsidiaries if such assets are sold in an arms length transaction and, at such time and after giving effect thereto, no Default or Event of Default shall have occurred and be continuing and an amount equal to the net proceeds received from such sale, lease or other disposition (but only with respect to that portion of such assets that exceeds the definition of "substantial part" set forth below) shall be used within 365 days of such sale, lease or disposition, in any combination:

(1) to acquire productive assets used or useful in carrying on the business of the Company and its Subsidiaries and having a value at least equal to the value of such assets sold, leased or otherwise disposed of; and/or

(2) to prepay or retire Senior Debt of the Company and/or its Subsidiaries, *provided* that (i) the Company shall offer to prepay each outstanding Note in a principal amount which equals the Ratable Portion for such Note, and (ii) any such prepayment of

the Notes shall be made at par, together with accrued interest thereon to the date of such prepayment, but without the payment of the Make-Whole Amount. Any offer of prepayment of the Notes pursuant to this Section 10.5 shall be given to each holder of the Notes by written notice that shall be delivered not less than thirty (30) days and not more than sixty (60) days prior to the proposed prepayment date. Each such notice shall state that it is given pursuant to this Section and that the offer set forth in such notice must be accepted by such holder in writing and shall also set forth (i) the prepayment date, (ii) a description of the circumstances which give rise to the proposed prepayment and (iii) a calculation of the Ratable Portion for such holder's Notes. Each holder of the Notes which desires to have its Notes prepaid shall notify the Company in writing delivered not less than five (5) Business Days prior to the proposed prepayment date of its acceptance of such offer of prepayment. Prepayment of Notes pursuant to this Section 10.5 shall be made in accordance with Section 8.2 (but without payment of the Make-Whole Amount).

As used in this Section 10.5, a sale, lease or other disposition of assets shall be deemed to be a "substantial part" of the assets of the Company and its Subsidiaries if the book value of such assets, when added to the book value of all other assets sold, leased or otherwise disposed of by the Company and its Subsidiaries during the period of 12 consecutive months ending on the date of such sale, lease or other disposition, exceeds 20% of the book value of Consolidated Total Assets, determined as of the end of the fiscal quarter immediately preceding such sale, lease or other disposition; *provided* that there shall be excluded from any determination of a "substantial part" any (i) sale or disposition of assets in the ordinary course of business of the Company and its Subsidiaries, (ii) any transfer of assets from the Company to any Subsidiary or from any Subsidiary to the Company or a Subsidiary and (iii) any sale or transfer of property acquired by the Company or any Subsidiary after the date of this Agreement to any Person within 270 days following the acquisition or construction of such property by the Company or any Subsidiary if the Company or a Subsidiary shall concurrently with such sale or transfer, lease such property, as lessee.

Section 10.6. Merger and Consolidation. The Company will not, and will not permit any of its Subsidiaries to, consolidate with or merge with any other Person or convey, transfer or lease substantially all of its assets in a single transaction or series of transactions to any Person; *provided* that:

(1) any Subsidiary of the Company may (x) consolidate with or merge with, or convey, transfer or lease substantially all of its assets in a single transaction or series of transactions to, (i) the Company or a Subsidiary so long as in any merger or consolidation involving the Company, the Company shall be the surviving or continuing corporation or (ii) any other Person so long as the survivor is the Subsidiary, or (y) convey, transfer or lease all or any part of its assets in compliance with the provisions of Section 10.5; and

(2) the foregoing restriction does not apply to the consolidation or merger of the Company with, or the conveyance, transfer or lease of substantially all of the assets of the Company in a single transaction or series of transactions to, any Person so long as:

(a) the successor formed by such consolidation or the survivor of such merger or the Person that acquires by conveyance, transfer or lease substantially all of the assets of the Company as an entirety, as the case may be (the "Successor Corporation"), shall be a solvent entity organized and existing under the laws of the United States of America, any State thereof or the District of Columbia;

(b) if the Company is not the Successor Corporation, such Successor Corporation shall have executed and delivered to each holder of Notes its assumption of the due and punctual performance and observance of each covenant and condition of this Agreement (and each Supplement thereto) and the Notes (pursuant to such agreements and instruments as shall be reasonably satisfactory to the Required Holders), and the Successor Corporation shall have caused to be delivered to each holder of Notes (A) an opinion of independent counsel reasonably satisfactory to the Required Holders, to the effect that all agreements or instruments effecting such assumption are enforceable in accordance with their terms and (B) an acknowledgment from each Subsidiary Guarantor that the Subsidiary Guaranty continues in full force and effect;

(c) at such time and after giving effect thereto, the Company could incur \$1.00 of additional Debt in accordance with Section 10.2 and

(d) immediately after giving effect to such transaction no Default or Event of Default would exist.

Section 10.7. Transactions with Affiliates. The Company will not and will not permit any Subsidiary to enter into directly or indirectly any Material transaction or Material group of related transactions (including without limitation the purchase, lease, sale or exchange of properties of any kind or the rendering of any service) with any Affiliate (other than the Company or another Subsidiary), except in the ordinary course and upon fair and reasonable terms that are not materially less favorable to the Company or such Subsidiary, taken as a whole, than would be obtainable in a comparable arm's-length transaction with a Person not an Affiliate.

SECTION 11. EVENTS OF DEFAULT.

An "Event of Default" shall exist if any of the following conditions or events shall occur and be continuing:

(a) the Company defaults in the payment of any principal or Make-Whole Amount, if any, on any Note when the same becomes due and payable, whether at maturity or at a date fixed for prepayment or by declaration or otherwise; or

(b) the Company defaults in the payment of any interest on any Note for more than five Business Days after the same becomes due and payable; or

(c) the Company defaults in the performance of or compliance with any term contained in Section 10 or any covenant in a Supplement which specifically provides that it shall have the benefit of this paragraph (c) or any Subsidiary Guarantor defaults in the performance of or compliance with any term of the Subsidiary Guaranty beyond any period of grace or cure period provided with respect thereto; or

(d) the Company defaults in the performance of or compliance with any term contained herein or in any Supplement (other than those referred to in paragraphs (a), (b) and (c) of this Section 11) and such default is not remedied within 30 days after the earlier of (i) a Responsible Officer obtaining actual knowledge of such default or (ii) the Company receiving written notice of such default from any holder of a Note (any such written notice to be identified as a “notice of default” and to refer specifically to this paragraph (d) of Section 11); or

(e) any Subsidiary Guaranty ceases to be a legally valid, binding and enforceable obligation or contract of a Subsidiary Guarantor (other than upon a release of any Subsidiary Guarantor from a Subsidiary Guaranty in accordance with the terms of Section 2.3(b) hereof), or any Subsidiary Guarantor or any party by, through or on account of any such Person, challenges the validity, binding nature or enforceability of any such Subsidiary Guaranty; or

(f) any representation or warranty made in writing by or on behalf of the Company or Subsidiary Guarantor or by any officer of the Company or any Subsidiary Guarantor in any writing furnished in connection with the transactions contemplated hereby or by any Subsidiary Guaranty proves to have been false or incorrect in any material respect on the date as of which made; or

(g) (i) the Company or any Subsidiary is in default (as principal or as guarantor or other surety) in the payment of any principal of or premium or make-whole amount or interest (in the payment amount of at least \$100,000) on any Debt other than the Notes that is outstanding in an aggregate principal amount of at least \$10,000,000 beyond any period of grace provided with respect thereto, or (ii) the Company or any Subsidiary is in default in the performance of or compliance with any term of any instrument, mortgage, indenture or other agreement relating to any Debt other than the Notes in an aggregate principal amount of at least \$10,000,000 or any other condition exists, and as a consequence of such default or condition such Debt has become, or has been declared, due and payable, or (iii) as a consequence of the occurrence or continuation of any event or condition (other than the passage of time or the right of the holder of Debt to convert such Debt into equity interests), the Company or any Subsidiary has become obligated to purchase or repay Debt other than the Notes before its regular maturity or before its regularly scheduled dates of payment in an aggregate outstanding principal amount of at least \$10,000,000; or

(h) the Company, any Material Subsidiary or any Subsidiary Guarantor (i) is generally not paying, or admits in writing its inability to pay, its debts as they become due, (ii) files, or consents by answer or otherwise to the filing against it of, a petition for

relief or reorganization or arrangement or any other petition in bankruptcy, for liquidation or to take advantage of any bankruptcy, insolvency, reorganization, moratorium or other similar law of any jurisdiction, (iii) makes an assignment for the benefit of its creditors, (iv) consents to the appointment of a custodian, receiver, trustee or other officer with similar powers with respect to it or with respect to any substantial part of its property, (v) is adjudicated as insolvent or to be liquidated, or (vi) takes corporate action for the purpose of any of the foregoing; or

(i) a court or governmental authority of competent jurisdiction enters an order appointing, without consent by the Company, any of its Material Subsidiaries or any Subsidiary Guarantor, a custodian, receiver, trustee or other officer with similar powers with respect to it or with respect to any substantial part of its property, or constituting an order for relief or approving a petition for relief or reorganization or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy or insolvency law of any jurisdiction, or ordering the dissolution, winding-up or liquidation of the Company, any of its Material Subsidiaries or any Subsidiary Guarantor, or any such petition shall be filed against the Company, any of its Material Subsidiaries or any Subsidiary Guarantor and such petition shall not be dismissed within 60 days; or

(j) a final judgment or judgments at any one time outstanding for the payment of money aggregating in excess of \$10,000,000 (other than to the extent a third party insurance provider has agreed in writing that it shall pay all or a portion of the amount of such judgment to the extent of such coverage) are rendered against one or more of the Company, its Subsidiaries or any Subsidiary Guarantor and which judgments are not, within 60 days after entry thereof, bonded, discharged or stayed pending appeal, or are not discharged within 60 days after the expiration of such stay; or

(k) if (i) any Plan shall fail to satisfy the minimum funding standards of ERISA or the Code for any plan year or part thereof or a waiver of such standards or extension of any amortization period is sought or granted under Section 412 of the Code, (ii) a notice of intent to terminate any Plan shall have been or is reasonably expected to be filed with the PBGC or the PBGC shall have instituted proceedings under Section 4042 of ERISA to terminate or appoint a trustee to administer any Plan or the PBGC shall have notified the Company or any ERISA Affiliate that a Plan may become a subject of any such proceedings, (iii) the aggregate "amount of unfunded benefit liabilities" (within the meaning of Section 4001(a)(18) of ERISA) under all Plans, determined in accordance with Title IV of ERISA, shall exceed \$10,000,000, (iv) the Company or any ERISA Affiliate shall have incurred or is reasonably expected to incur any liability pursuant to Title I or IV of ERISA or the penalty or excise tax provisions of the Code relating to employee benefit plans, (v) the Company or any ERISA Affiliate withdraws from any Multiemployer Plan, or (vi) the Company or any Subsidiary establishes or amends any employee welfare benefit plan that provides post-employment welfare benefits in a manner that could increase the liability of the Company or any Subsidiary thereunder; and any such event or events described in clauses (i) through (vi) above, either individually or together with any other such event or events, would reasonably be expected to have a Material Adverse Effect.

As used in Section 11(j), the terms “*employee benefit plan*” and “*employee welfare benefit plan*” shall have the respective meanings assigned to such terms in Section 3 of ERISA.

SECTION 12. REMEDIES ON DEFAULT, ETC.

Section 12.1. Acceleration. (a) If an Event of Default with respect to the Company described in paragraph (h) or (i) of Section 11 (other than an Event of Default described in clause (i) of paragraph (h) or described in clause (vi) of paragraph (h) by virtue of the fact that such clause encompasses clause (i) of paragraph (h)) has occurred, all the Notes of every Series then outstanding shall automatically become immediately due and payable.

(b) If any other Event of Default has occurred and is continuing, any holder or holders of more than 50% in aggregate principal amount of the Notes at the time outstanding may at any time at its or their option, by notice or notices to the Company, declare all the Notes then outstanding to be immediately due and payable.

(c) If any Event of Default described in paragraph (a) or (b) of Section 11 has occurred and is continuing with respect to any Notes, any holder or holders of Notes at the time outstanding affected by such Event of Default may at any time, at its or their option, by notice or notices to the Company, declare all the Notes held by such holder or holders to be immediately due and payable.

Upon any Note's becoming due and payable under this Section 12.1, whether automatically or by declaration, such Note will forthwith mature and the entire unpaid principal amount of such Note, plus (i) all accrued and unpaid interest thereon (including, but not limited to, interest accrued thereon at the Default Rate) and (ii) the Make-Whole Amount determined in respect of such principal amount (to the full extent permitted by applicable law), shall all be immediately due and payable, in each and every case without presentment, demand, protest or further notice, all of which are hereby waived. The Company acknowledges, and the parties hereto agree, that each holder of a Note has the right to maintain its investment in the Notes free from repayment by the Company (except as herein specifically provided for) and that the provision for payment of a Make-Whole Amount by the Company in the event that the Notes are prepaid or are accelerated as a result of an Event of Default, is intended to provide compensation for the deprivation of such right under such circumstances.

Section 12.2. Other Remedies. If any Default or Event of Default has occurred and is continuing, and irrespective of whether any Notes have become or have been declared immediately due and payable under Section 12.1, the holder of any Note at the time outstanding may proceed to protect and enforce the rights of such holder by an action at law, suit in equity or other appropriate proceeding, whether for the specific performance of any agreement contained herein or in any Note, or for an injunction against a violation of any of the terms hereof or thereof, or in aid of the exercise of any power granted hereby or thereby or by law or otherwise.

Section 12.3. Rescission. At any time after the Notes have been declared due and payable pursuant to clause (b) or (c) of Section 12.1, the holders of not less than 51% in aggregate principal amount of the Notes then outstanding, by written notice to the Company, may rescind

and annul any such declaration and its consequences if (a) the Company has paid all overdue interest on the Notes, all principal of and Make-Whole Amount on any Notes that are due and payable and are unpaid other than by reason of such declaration, and all interest on such overdue principal and Make-Whole Amount and (to the extent permitted by applicable law) any overdue interest in respect of the Notes, at the Default Rate, (b) neither the Company nor any other Person shall have paid any amounts which have become due solely by reason of such declaration, (c) all Events of Default and Defaults, other than non-payment of amounts that have become due solely by reason of such declaration, have been cured or have been waived pursuant to Section 17, and (d) no judgment or decree has been entered for the payment of any monies due pursuant hereto or to any Notes. No rescission and annulment under this Section 12.3 will extend to or affect any subsequent Event of Default or Default or impair any right consequent thereon.

Section 12.4. No Waivers or Election of Remedies, Expenses, Etc. No course of dealing and no delay on the part of any holder of any Note in exercising any right, power or remedy shall operate as a waiver thereof or otherwise prejudice such holder's rights, powers or remedies. No right, power or remedy conferred by this Agreement or by any Note upon any holder thereof shall be exclusive of any other right, power or remedy referred to herein or therein or now or hereafter available at law, in equity, by statute or otherwise. Without limiting the obligations of the Company under Section 15, the Company will pay to the holder of each Note on demand such further amount as shall be sufficient to cover all costs and expenses of such holder incurred in any enforcement or collection under this Section 12, including, without limitation, reasonable attorneys' fees, expenses and disbursements.

SECTION 13. REGISTRATION; EXCHANGE; SUBSTITUTION OF NOTES.

Section 13.1. Registration of Notes. The Company shall keep at its principal executive office a register for the registration and registration of transfers of Notes. The name and address of each holder of one or more Notes, each transfer thereof and the name and address of each transferee of one or more Notes shall be registered in such register. Prior to due presentment for registration of transfer, the Person in whose name any Note shall be registered shall be deemed and treated as the owner and holder thereof for all purposes hereof, and the Company shall not be affected by any notice or knowledge to the contrary. The Company shall give to any holder of a Note that is an Institutional Investor promptly upon request therefor, a complete and correct copy of the names and addresses of all registered holders of Notes.

Section 13.2. Transfer and Exchange of Notes. Subject to Section 13.3, upon surrender of any Note to the Company at the address and to the attention of the designated officer (all as specified in Section 18(iii)), for registration of transfer or exchange (and in the case of a surrender for registration of transfer accompanied by a written instrument of transfer duly executed by the registered holder of such Note or such holder's attorney duly authorized in writing and accompanied by the relevant name, address and other information for notices of each transferee of such Note or part thereof), within ten Business Days thereafter, the Company shall execute and deliver, at the Company's expense (except as provided below), one or more new Notes (as requested by the holder thereof) of the same Series (and of the same tranche if such Series has separate tranches) in exchange therefor, in an aggregate principal amount equal to the

unpaid principal amount of the surrendered Note. Each such new Note shall be payable to such Person as such holder may request and shall be substantially in the form of the Note of such Series originally issued hereunder or pursuant to any Supplement. Each such new Note shall be dated and bear interest from the date to which interest shall have been paid on the surrendered Note or dated the date of the surrendered Note if no interest shall have been paid thereon. The Company may require payment of a sum sufficient to cover any stamp tax or governmental charge imposed in respect of any such transfer of Notes. Notes shall not be transferred in denominations of less than \$100,000, *provided* that if necessary to enable the registration of transfer by a holder of its entire holding of Notes, one Note may be in a denomination of less than \$100,000. Any transferee, by its acceptance of a Note registered in its name (or the name of its nominee), shall be deemed to have made the representation set forth in Section 6.3, *provided*, that such holder may (in reliance upon information provided by the Company, which shall not be unreasonably withheld) make a representation to the effect that the purchase by any holder of any Note will not constitute a non-exempt prohibited transaction under section 406(a) of ERISA.

The Notes have not been registered under the Securities Act or under the securities laws of any state and may not be transferred or resold unless registered under the Securities Act and all applicable state securities laws or unless an exemption from the requirement for such registration is available.

Section 13.3. Transfer Restrictions. Each Purchaser agrees that so long as no Default or Event of Default exists, without the prior written consent of the Company, such Purchaser (and each transferee by its acceptance of a Note shall be deemed to have agreed that it) will not knowingly transfer or assign the Notes to any Person (other than an Institutional Investor) which is, or is known by such Purchaser to be controlled by, a Person who has a significant line of business that involves trucking or freight shipping.

Section 13.4. Replacement of Notes. Upon receipt by the Company at the address and to the attention of the designated officer (all as specified in Section 18(iii)) of evidence reasonably satisfactory to it of the ownership of and the loss, theft, destruction or mutilation of any Note (which evidence shall be, in the case of an Institutional Investor, notice from such Institutional Investor of such ownership and such loss, theft, destruction or mutilation), and

(a) in the case of loss, theft or destruction, of indemnity reasonably satisfactory to it (*provided* that if the holder of such Note is, or is a nominee for, an original Purchaser or another holder of a Note with a minimum net worth of at least \$50,000,000 or a Qualified Institutional Buyer, such Person's own unsecured agreement of indemnity shall be deemed to be satisfactory), or

(b) in the case of mutilation, upon surrender and cancellation thereof,

the Company at its own expense shall execute and deliver not more than five Business Days following satisfaction of such conditions, in lieu thereof, a new Note of the same Series (and of the same tranche if such Series has separate tranches), dated and bearing interest from the date to which interest shall have been paid on such lost, stolen, destroyed or mutilated Note or dated the date of such lost, stolen, destroyed or mutilated Note if no interest shall have been paid thereon.

SECTION 14. PAYMENTS ON NOTES.

Section 14.1. Place of Payment. Subject to Section 14.2, payments of principal, Make-Whole Amount and interest becoming due and payable on the Notes shall be made in New York, New York at the principal office of Banc of America Securities LLC in such jurisdiction. The Company may at any time, by notice to each holder of a Note, change the place of payment of the Notes so long as such place of payment shall be either the principal office of the Company in such jurisdiction or the principal office of a bank or trust company in such jurisdiction.

Section 14.2. Home Office Payment. So long as any Purchaser or Additional Purchaser or such Purchaser's nominee or such Additional Purchaser's nominee shall be the holder of any Note, and notwithstanding anything contained in Section 14.1 or in such Note to the contrary, the Company will pay all sums becoming due on such Note for principal, Make-Whole Amount and interest by the method and at the address specified for such purpose for such Purchaser on Schedule A hereto or, in the case of any Additional Purchaser, Schedule A attached to any Supplement pursuant to which such Additional Purchaser is a party, or by such other method or at such other address as such Purchaser or Additional Purchaser shall have from time to time specified to the Company in writing for such purpose, without the presentation or surrender of such Note or the making of any notation thereon, except that upon written request of the Company made concurrently with or reasonably promptly after payment or prepayment in full of any Note, such Purchaser or Additional Purchaser shall surrender such Note for cancellation, reasonably promptly after any such request, to the Company at its principal executive office or at the place of payment most recently designated by the Company pursuant to Section 14.1. Prior to any sale or other disposition of any Note held by any Purchaser or Additional Purchaser or such Person's nominee, such Person will, at its election, either endorse thereon the amount of principal paid thereon and the last date to which interest has been paid thereon or surrender such Note to the Company in exchange for a new Note or Notes pursuant to Section 13.2. The Company will afford the benefits of this Section 14.2 to any Institutional Investor that is the direct or indirect transferee of any Note.

SECTION 15. EXPENSES, ETC.

Section 15.1. Transaction Expenses. Whether or not the transactions contemplated hereby are consummated, the Company will pay all costs and expenses (including reasonable attorneys' fees of a special counsel for the Purchasers or any Additional Purchasers and, if reasonably required by the Required Holders, local or other counsel) incurred by each Purchaser and each Additional Purchaser and each other holder of a Note in connection with such transactions and in connection with any amendments, waivers or consents under or in respect of this Agreement (including any Supplement) or the Notes (whether or not such amendment, waiver or consent becomes effective), including, without limitation: (a) the costs and expenses incurred in enforcing or defending (or determining whether or how to enforce or defend) any rights under this Agreement (including any Supplement) or the Notes or in responding to any subpoena or other legal process or informal investigative demand issued in connection with this Agreement (including any Supplement) or the Notes, or by reason of being a holder of any Note, and (b) the costs and expenses, including financial advisors' fees, incurred in connection with

the insolvency or bankruptcy of the Company or any Subsidiary or in connection with any work-out or restructuring of the transactions contemplated hereby and by the Notes. The Company will pay, and will save each Purchaser, each Additional Purchaser and each other holder of a Note harmless from, all claims in respect of any fees, costs or expenses if any, of brokers and finders (other than those, if any, retained by a Purchaser or other holder in connection with its purchase of the Notes).

Section 15.2. Survival. The obligations of the Company under this Section 15 will survive the payment or transfer of any Note, the enforcement, amendment or waiver of any provision of this Agreement, any Supplement or the Notes, and the termination of this Agreement or any Supplement.

SECTION 16. SURVIVAL OF REPRESENTATIONS AND WARRANTIES; ENTIRE AGREEMENT.

All representations and warranties contained herein or in any Supplement shall survive the execution and delivery of this Agreement, such Supplement and the Notes, the purchase or transfer by any Purchaser or any Additional Purchaser of any such Note or portion thereof or interest therein and the payment of any Note may be relied upon by any subsequent holder of any such Note, regardless of any investigation made at any time by or on behalf of any Purchaser or any Additional Purchaser or any other holder of any such Note. All statements contained in any certificate or other instrument delivered by or on behalf of the Company pursuant to this Agreement or any Supplement shall be deemed representations and warranties of the Company under this Agreement; *provided*, that the representations and warranties contained in any Supplement shall only be made for the benefit of the Additional Purchasers which are party to such Supplement and the holders of the Notes issued pursuant to such Supplement, including subsequent holders of any Note issued pursuant to such Supplement, and shall not require the consent of the holders of existing Notes. Subject to the preceding sentence, this Agreement (including every Supplement) and the Notes embody the entire agreement and understanding between the Purchasers and the Additional Purchasers and the Company and supersede all prior agreements and understandings relating to the subject matter hereof.

SECTION 17. AMENDMENT AND WAIVER.

Section 17.1. Requirements. (a) This Agreement (including any Supplement) and the Notes may be amended, and the observance of any term hereof or of the Notes may be waived (either retroactively or prospectively), with (and only with) the written consent of the Company and the Required Holders, except that (i) no amendment or waiver of any of the provisions of Section 1, 2, 3, 4, 5, 6 or 21 hereof or the corresponding provision of any Supplement, or any defined term (as it is used in any such Section or such corresponding provision of any Supplement), will be effective as to any holder of Notes unless consented to by such holder of Notes in writing, and (ii) no such amendment or waiver may, without the written consent of all of the holders of Notes at the time outstanding affected thereby, (A) subject to the provisions of Section 12 relating to acceleration or rescission, change the amount or time of any prepayment or payment of principal of, or reduce the rate or change the time of payment or method of computation of interest (if such change in computation of interest results in a decrease in the interest rate) or of the Make-Whole Amount on, the Notes, (B) change the percentage of the

principal amount of the Notes the holders of which are required to consent to any such amendment or waiver, or (C) amend any of Sections 8, 11(a), 11(b), 12, 17 or 20.

(b) *Supplements.* Notwithstanding anything to the contrary contained herein, the Company may enter into any Supplement providing for the issuance of one or more Series of Additional Notes consistent with Section 2.2 hereof without obtaining the consent of any holder of any other Series of Notes.

Section 17.2. Solicitation of Holders of Notes.

(a) *Solicitation.* The Company will provide each holder of the Notes (irrespective of the amount of Notes then owned by it) with sufficient information, sufficiently far in advance of the date a decision is required, to enable such holder to make an informed and considered decision with respect to any proposed amendment, waiver or consent in respect of any of the provisions hereof, any Supplement or of the Notes. The Company will deliver executed or true and correct copies of each amendment, waiver or consent effected pursuant to the provisions of this Section 17 to each holder of outstanding Notes promptly following the date on which it is executed and delivered by, or receives the consent or approval of, the requisite holders of Notes.

(b) *Payment.* The Company will not directly or indirectly pay or cause to be paid any remuneration, whether by way of supplemental or additional interest, fee or otherwise, or grant any security or provide other credit support, to any holder of Notes as consideration for or as an inducement to the entering into by any holder of Notes of any waiver or amendment of any of the terms and provisions hereof or any Supplement unless such remuneration is concurrently paid, or security is concurrently granted or other credit support is concurrently provided, on the same terms, ratably to each holder of Notes then outstanding.

(c) *Consent in Contemplation of Transfer.* Any consent made pursuant to this Section 17.2(c) by a holder of Notes that has transferred or has agreed to transfer its Notes to the Company, any Subsidiary or any Affiliate of the Company and has provided or has agreed to provide such written consent as a condition to such transfer shall be void and of no force or effect except solely as to such holder, and any amendments effected or waivers granted or to be effected or granted that would not have been or would not be so effected or granted but for such consent (and the consents of all other holders of Notes that were acquired under the same or similar conditions) shall be void and of no force or effect except solely as to such holder.

Section 17.3. Binding Effect, Etc. Any amendment or waiver consented to as provided in this Section 17 applies equally to all holders of Notes and is binding upon them and upon each future holder of any Note and upon the Company without regard to whether such Note has been marked to indicate such amendment or waiver. No such amendment or waiver will extend to or affect any obligation, covenant, agreement, Default or Event of Default not expressly amended or waived or impair any right consequent thereon. No course of dealing between the Company and the holder of any Note nor any delay in exercising any rights hereunder or under any Note shall operate as a waiver of any rights of any holder of such Note. As used herein, the term "this Agreement" and references thereto shall mean this Agreement as it may from time to time be amended or supplemented.

Section 17.4. Notes Held by Company, Etc. Solely for the purpose of determining whether the holders of the requisite percentage of the aggregate principal amount of Notes then outstanding approved or consented to any amendment, waiver or consent to be given under this Agreement or the Notes, or have directed the taking of any action provided herein or in the Notes to be taken upon the direction of the holders of a specified percentage of the aggregate principal amount of Notes then outstanding, Notes directly or indirectly owned by the Company or any of its Affiliates shall be deemed not to be outstanding.

SECTION 18. NOTICES.

All notices and communications provided for hereunder shall be in writing and sent (a) by telecopy if the sender on the same day sends a confirming copy of such notice by a recognized overnight delivery service (charges prepaid), or (b) by a recognized overnight delivery service (with charges prepaid). Any such notice must be sent:

(i) if to a Purchaser or such Purchaser's nominee, to such Purchaser or such Purchaser's nominee at the address specified for such communications in Schedule A to this Agreement, or at such other address as such Purchaser or such Purchaser's nominee shall have specified to the Company in writing pursuant to this Section 18;

(ii) if to an Additional Purchaser or such Additional Purchaser's nominee, to such Additional Purchaser or such Additional Purchaser's nominee at the address specified for such communications in Schedule A to any Supplement, or at such other address as such Additional Purchaser or such Additional Purchaser's nominee shall have specified to the Company in writing,

(iii) if to any other holder of any Note, to such holder at such address as such other holder shall have specified to the Company in writing pursuant to this Section 18, or

(iv) if to the Company, to the Company at its address set forth at the beginning hereof to the attention of Chief Financial Officer, with a copy to the General Counsel, or at such other address as the Company shall have specified to the holder of each Note in writing.

Notices under this Section 18 will be deemed given only when actually received.

SECTION 19. REPRODUCTION OF DOCUMENTS.

This Agreement and all documents relating thereto, including, without limitation, (a) consents, waivers and modifications that may hereafter be executed, (b) documents received by any Purchaser at the Closing or by any Additional Purchaser (except the Notes themselves), and (c) financial statements, certificates and other information previously or hereafter furnished to any Purchaser or any Additional Purchaser, may be reproduced by such Purchaser or such Additional Purchaser by any photographic, photostatic, electronic, digital, or other similar process and such Purchaser or such Additional Purchaser may destroy any original document so

reproduced. The Company agrees and stipulates that, to the extent permitted by applicable law, any such reproduction shall be admissible in evidence as the original itself in any judicial or administrative proceeding (whether or not the original is in existence and whether or not such reproduction was made by such Purchaser or such Additional Purchaser in the regular course of business) and any enlargement, facsimile or further reproduction of such reproduction shall likewise be admissible in evidence. This Section 19 shall not prohibit the Company or any other holder of Notes from contesting any such reproduction to the same extent that it could contest the original, or from introducing evidence to demonstrate the inaccuracy of any such reproduction.

SECTION 20. CONFIDENTIAL INFORMATION.

For the purposes of this Section 20, “*Confidential Information*” means information delivered to any Purchaser or any Additional Purchaser by or on behalf of the Company or any Subsidiary in connection with the transactions contemplated by or otherwise pursuant to this Agreement that is proprietary in nature and that was clearly marked or labeled or otherwise adequately identified when received by such Purchaser as being confidential information of the Company or such Subsidiary, *provided* that such term does not include information that (a) was publicly known or otherwise known to such Purchaser or such Additional Purchaser prior to the time of such disclosure, (b) subsequently becomes publicly known through no act or omission by such Purchaser or such Additional Purchaser or any Person acting on such Purchaser’s or such Additional Purchaser’s behalf, (c) otherwise becomes known to such Purchaser or such Additional Purchaser other than through disclosure by the Company or any Subsidiary or (d) constitutes financial statements delivered to such Purchaser or such Additional Purchaser under Section 7.1 that are otherwise publicly available. Each Purchaser and each Additional Purchaser will maintain the confidentiality of such Confidential Information in accordance with procedures adopted by such Purchaser or such Additional Purchaser in good faith to protect confidential information of third parties delivered to such Purchaser or such Additional Purchaser, *provided* that such Purchaser or such Additional Purchaser may deliver or disclose Confidential Information to (i) such Purchaser’s or such Additional Purchaser’s directors, trustees, officers, employees, agents, attorneys and affiliates (to the extent such disclosure reasonably relates to the administration of the investment represented by such Purchaser’s or such Additional Purchaser’s Notes), (ii) such Purchaser’s or such Additional Purchaser’s financial advisors and other professional advisors who agree to hold confidential the Confidential Information substantially in accordance with the terms of this Section 20, (iii) any other holder of any Note, (iv) any Institutional Investor to which such Purchaser or such Additional Purchaser sells or offers to sell such Note or any part thereof or any participation therein (if such Person has agreed in writing prior to its receipt of such Confidential Information to be bound by the provisions of this Section 20), (v) any Person from which such Purchaser or such Additional Purchaser offers to purchase any security of the Company (if such Person has agreed in writing prior to its receipt of such Confidential Information to be bound by the provisions of this Section 20), (vi) any federal or state regulatory authority having jurisdiction over such Purchaser or such Additional Purchaser, (vii) the National Association of Insurance Commissioners or any similar organization, or any nationally recognized rating agency that requires access to information about such Purchaser’s or such Additional Purchaser’s investment portfolio, or (viii) any other Person to which such delivery or disclosure may be necessary or

appropriate (w) to effect compliance with any law, rule, regulation or order applicable to such Purchaser or such Additional Purchaser, (x) in response to any subpoena or other legal process, (y) in connection with any litigation to which such Purchaser or such Additional Purchaser is a party or (z) if an Event of Default has occurred and is continuing, to the extent such Purchaser or such Additional Purchaser may reasonably determine such delivery and disclosure to be necessary or appropriate in the enforcement or for the protection of the rights and remedies under such Purchaser's or such Additional Purchaser's Notes, the Subsidiary Guaranty and this Agreement. Each holder of a Note, by its acceptance of a Note, will be deemed to have agreed to be bound by and to be entitled to the benefits of this Section 20 as though it were a party to this Agreement. On reasonable request by the Company in connection with the delivery to any holder of a Note of information required to be delivered to such holder under this Agreement or requested by such holder (other than a holder that is a party to this Agreement or its nominee), such holder will enter into an agreement with the Company embodying the provisions of this Section 20.

SECTION 21. SUBSTITUTION OF PURCHASER.

Each Purchaser and each Additional Purchaser shall have the right to substitute any one of its Affiliates as the purchaser of the Notes that it has agreed to purchase hereunder, by written notice to the Company, which notice shall be signed by both such Purchaser or such Additional Purchaser and such Affiliate, shall contain such Affiliate's agreement to be bound by this Agreement and shall contain a confirmation by such Affiliate of the accuracy with respect to it of the representations set forth in Section 6. Upon receipt of such notice, any reference to such Purchaser or such Additional Purchaser in this Agreement (other than in this Section 21), shall be deemed to refer to such Affiliate in lieu of such original Purchaser or such original Additional Purchaser. In the event that such Affiliate is so substituted as a Purchaser or an Additional Purchaser hereunder and such Affiliate thereafter transfers to such original Purchaser or such original Additional Purchaser all of the Notes then held by such Affiliate, upon receipt by the Company of notice of such transfer, any reference to such Affiliate as a "Purchaser" or an "Additional Purchaser" in this Agreement (other than in this Section 21), shall no longer be deemed to refer to such Affiliate, but shall refer to such original Purchaser or such original Additional Purchaser, and such original Purchaser or such original Additional Purchaser shall again have all the rights of an original holder of the Notes under this Agreement.

SECTION 22. MISCELLANEOUS.

Section 22.1. Successors and Assigns. All covenants and other agreements contained in this Agreement (including all covenants and other agreements contained in any Supplement) by or on behalf of any of the parties hereto bind and inure to the benefit of their respective successors and assigns (including, without limitation, any subsequent holder of a Note) whether so expressed or not.

Section 22.2. Payments Due on Non-Business Days. Anything in this Agreement or the Notes to the contrary notwithstanding (but without limiting the requirement in Section 8.4 that the notice of any optional prepayment specify a Business Day as the date fixed for such prepayment), any payment of principal of or Make-Whole Amount or interest on any Note that is

due on a date other than a Business Day shall be made on the next succeeding Business Day without including the additional days elapsed in the computation of the interest payable on such next succeeding Business Day; provided that if the maturity date of any Note is a date other than a Business Day, the payment otherwise due on such maturity date shall be made on the next succeeding Business Day and shall include the additional days elapsed in the computation of interest payable on such next succeeding Business Day.

Section 22.3. Accounting Terms. All accounting terms used herein which are not expressly defined in this Agreement have the meanings respectively given to them in accordance with GAAP. Except as otherwise specifically provided herein, (i) all computations made pursuant to this Agreement shall be made in accordance with GAAP, and (ii) all financial statements shall be prepared in accordance with GAAP.

Section 22.4. Severability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall (to the full extent permitted by law) not invalidate or render unenforceable such provision in any other jurisdiction.

Section 22.5. Construction. Each covenant contained herein shall be construed (absent express provision to the contrary) as being independent of each other covenant contained herein, so that compliance with any one covenant shall not (absent such an express contrary provision) be deemed to excuse compliance with any other covenant. Where any provision herein refers to action to be taken by any Person, or which such Person is prohibited from taking, such provision shall be applicable whether such action is taken directly or indirectly by such Person.

For the avoidance of doubt, all Schedules and Exhibits attached to this Agreement shall be deemed to be a part hereof.

Section 22.6. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original but all of which together shall constitute one instrument. Each counterpart may consist of a number of copies hereof, each signed by less than all, but together signed by all, of the parties hereto.

Section 22.7. Governing Law. This Agreement shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the law of the State of New York excluding choice-of-law principles of the law of such State that would permit the application of the laws of a jurisdiction other than such State.

Section 22.8. Jurisdiction and Process; Waiver of Jury Trial. (a) The Company irrevocably submits to the non-exclusive jurisdiction of any New York State or federal court sitting in the Borough of Manhattan, The City of New York, over any suit, action or proceeding arising out of or relating to this Agreement or the Notes. To the fullest extent permitted by applicable law, the Company irrevocably waives and agrees not to assert, by way of motion, as a defense or otherwise, any claim that it is not subject to the jurisdiction of any such court, any objection that it may now or hereafter have to the laying of the venue of any such suit, action or

proceeding brought in any such court and any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum.

(b) The Company consents to process being served by or on behalf of any holder of Notes in any suit, action or proceeding of the nature referred to in Section 22.8(a) by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, return receipt requested, to it at its address specified in Section 18 or at such other address of which such holder shall then have been notified pursuant to said Section. The Company agrees that such service upon receipt (i) shall be deemed in every respect effective service of process upon it in any such suit, action or proceeding and (ii) shall, to the fullest extent permitted by applicable law, be taken and held to be valid personal service upon and personal delivery to it. Notices hereunder shall be conclusively presumed received as evidenced by a delivery receipt furnished by the United States Postal Service or any reputable commercial delivery service.

(c) Nothing in this Section 22.8 shall affect the right of any holder of a Note to serve process in any manner permitted by law, or limit any right that the holders of any of the Notes may have to bring proceedings against the Company in the courts of any appropriate jurisdiction or to enforce in any lawful manner a judgment obtained in one jurisdiction in any other jurisdiction.

(d) THE PARTIES HERETO HEREBY WAIVE TRIAL BY JURY IN ANY ACTION BROUGHT ON OR WITH RESPECT TO THIS AGREEMENT, THE NOTES OR ANY OTHER DOCUMENT EXECUTED IN CONNECTION HEREWITH OR THEREWITH.

* * * * *

The execution hereof by the Purchasers shall constitute a contract among the Company and the Purchasers for the uses and purposes hereinabove set forth. This Agreement may be executed in any number of counterparts, each executed counterpart constituting an original but all together only one agreement.

Very truly yours,

OLD DOMINION FREIGHT LINE, INC.

By /s/ J. Wes Frye

Name: J. Wes Frye

Title: Senior Vice President – Finance

Accepted as of the date first written above.

ALLSTATE LIFE INSURANCE COMPANY

By /s/ Robert Bodett

Name: Robert B. Bodett

By /s/ Jerry D. Zinkula

Name: Jerry D. Zinkula

Authorized Signatories

ALLSTATE LIFE INSURANCE COMPANY OF NEW YORK

By /s/ Robert Bodett

Name: Robert B. Bodett

By /s/ Jerry D. Zinkula

Name: Jerry D. Zinkula

Authorized Signatories

Accepted as of the date first written above.

NEW YORK LIFE INSURANCE COMPANY

/s/ John P. Rafferty

By: John P. Rafferty
Title: Investment Vice President

**NEW YORK LIFE INSURANCE AND ANNUITY
CORPORATION**

By: New York Life Investment
Management LLC, its Investment
Manager

/s/ John P. Rafferty

By: John P. Rafferty
Title: Vice President

Accepted as of the date first written above.

PRUDENTIAL RETIREMENT INSURANCE AND ANNUITY COMPANY

By: Prudential Investment Management, Inc.,
as investment manager

By: /s/ Jay S. White

Vice President

SECURITY BENEFIT LIFE INSURANCE COMPANY, INC.

By: Prudential Private Placement Investors,
L.P. (as Investment Advisor)

By: Prudential Private Placement Investors, Inc.
(as its General Partner)

By: /s/ Jay S. White

Vice President

UNITED OF OMAHA LIFE INSURANCE COMPANY

By: Prudential Private Placement Investors,
L.P. (as Investment Advisor)

By: Prudential Private Placement Investors, Inc.
(as its General Partner)

By: /s/ Jay S. White

Vice President

Accepted as of the date first written above.

METROPOLITAN LIFE INSURANCE COMPANY

By: /s/ Timothy L. Powell

Name: Timothy L. Powell

Title: Director

NAME AND ADDRESS OF PURCHASER	TRANCHE	PRINCIPAL AMOUNT OF NOTES TO BE PURCHASED
ALLSTATE LIFE INSURANCE COMPANY 3075 Sanders Road, STE G5D Northbrook, Illinois 60062-7127 Attention: Private Placements Department Telephone Number: (847) 402-7117 Telecopy Number: (847) 402-3092	A	\$10,000,000.00

Payments

All payments on or in respect of the Notes to be made by Fedwire transfer of immediately available funds, identifying the name of the Issuer, the Private Placement Number preceded by "DPP" and the payment as principal, interest or premium, in the exact format as follows:

Bank: Citibank
 ABA #: 021000089
 Acct. Name: Allstate Life Insurance Company Collection Account - PP
 Acct. #: 30547007
 Reference: PPN # 679580 B# 6 - Old Dominion Freight Line, Inc.,
 4.68% Series 2005-A Senior Notes, Tranche A
 Payment Due Date (11/30/2007) - P _____ (Enter "P" and the amount of principal being remitted, for example,
 P5000000.00) - I _____ (Enter "I" and the amount of interest being remitted, for example, I225000.00)

Notices

All notices of scheduled payments and written confirmation of each such payment, to be sent to:

Allstate Investments LLC
 Investment Operations—Private Placements
 3075 Sanders Road, STE G4A
 Northbrook, Illinois 60062-7127
 Telephone: (847) 402-6672 Private Placements
 Telecopy: (847) 326-7032
 E-Mail: PrivateIOD@allstate.com

Securities to be delivered to:

Citibank N.A.
 333 West 34th Street
 3rd Floor Securities Vault
 New York, New York 10001
 Attention: Danny Reyes

SCHEDULE A
 (TO NOTE PURCHASE AGREEMENT)

For Allstate Life Insurance Company/Safekeeping Account No. 846627

All financial reports, compliance certificates and all other written communications, including notice of prepayments to be sent by e-mail (PrivateCompliance@allsate.com) or hard copy addressed as first provided above.

Name of Nominee in which Notes are to be issued: None

Taxpayer I.D. Number: 36-2554642

NAME AND ADDRESS OF PURCHASER	TRANCHE	PRINCIPAL AMOUNT OF NOTES TO BE PURCHASED
ALLSTATE LIFE INSURANCE COMPANY OF NEW YORK 3075 Sanders Road, STE G5D Northbrook, Illinois 60062-7127 Attention: Private Placements Department Telephone Number: (847) 402-7117 Telecopy Number: (847) 402-3092	A	\$3,333,333.00

Payments

All payments on or in respect of the Notes to be made by Fedwire transfer of immediately available funds, identifying the name of the Issuer, the Private Placement Number preceded by "DPP" and the payment as principal, interest or premium, in the exact format as follows:

Bank: Citibank
 ABA #: 021000089
 Acct.
 Name: Allstate Life Insurance Company of New York Collection Account - PP
 Acct. #: 30547007
 Reference: DPP – PPN No. 679580 B# 6; Old Dominion Freight Line, Inc.
 4.68% Series 2005-A Senior Notes, Tranche A
 Payment Due Date (11/30/2008 - P _____ (Enter "P" and the amount of principal being remitted, for example, P5000000.00) - I _____ (Enter "I" and the amount of interest being remitted, for example, I225000.00)

Notices

All notices of scheduled payments and written confirmation of each such payment, to be sent to:

Allstate Investments LLC
 Investment Operations-Private Placements Department
 3075 Sanders Road, STE G4A
 Northbrook, Illinois 60062-7127
 Telephone: (847) 402-6672-Private Placements
 Telecopy: (847) 326-7032
 E-Mail: PrivateIOD@allstate.com

Securities to be delivered to:

Citibank, N.A.
 333 West 34th Street
 3rd Floor Securities Vault
 New York, New York 10001
 Attention: Danny Reyes
 For Allstate life Insurance Company of New York/Safekeeping Account No. 846684

All financial reports, compliance certificates and all other written communications, including notice of prepayments to be sent by e-mail (PrivateCompliance@allsate.com) or hard copy addressed as first provided above.

Name of Nominee in which Notes are to be issued: None

Taxpayer I.D. Number: 36-2554642

NAME AND ADDRESS OF PURCHASER	TRANCHE	PRINCIPAL AMOUNT OF NOTES TO BE PURCHASED
METROPOLITAN LIFE INSURANCE COMPANY 1 MetLife Plaza 27-01 Queens Plaza North Long Island City, New York 11101	A	\$13,333,334.00

Payments

All scheduled payments of principal and interest by wire transfer of immediately available funds to:

JPMorgan Chase Bank
 ABA Routing #: 021-000-021
 Account Number: 002-2-410591
 Account Name: Metropolitan Life Insurance Company
 Reference: Old Dominion Freight Line, Inc.,
 4.68% Series 2005-A Senior Notes, Tranche A,
 PPN No. 679580 B# 6, due February 25, 2015

With sufficient information to identify the source and application of such funds, including issuer, PPN#, interest rate, maturity and whether payment is of principal, interest, make whole amount or otherwise.

For all payments other than scheduled payments of principal and interest, the Company shall seek instructions from the holder, and in the absence of instructions to the contrary, will make such payments to the account and in the manner set forth above.

Notices

All notices and communications, including notices with respect to payments and written confirmation of each such payment, to be addressed:

Metropolitan Life Insurance Company
 Investments, Private Placements
 10 Park Avenue
 Morristown, New Jersey 07962-1902
 Attention: Director
 Fax Number: (973) 355-4250

With a copy (OTHER than with respect to deliveries of financial statements) to:

Metropolitan Life Insurance Company
 10 Park Avenue
 Morristown, New Jersey 07962-1902
 Attention: Chief Counsel - Securities Investments (PRIV)
 Fax Number: (973) 355-4338

Original Notes delivered to:

Metropolitan Life Insurance Company
Securities Investments, Law Department
10 Park Avenue
Morristown, New Jersey 07962-1902
Attention: Richard Clarke

Name of Nominee in which Notes are to be issued: Metropolitan Life Insurance Company

Taxpayer I.D. Number: 13-5581829

NAME AND ADDRESS OF PURCHASER	TRANCHE	PRINCIPAL AMOUNT OF NOTES TO BE PURCHASED
NEW YORK LIFE INSURANCE COMPANY c/o New York Life Investment Management LLC 51 Madison Avenue New York, New York 10010 Attention: Securities Investment Group Private Finance Telecopier Number: (212) 447-4122	A	\$8,333,333.00

Payments

All payments on or in respect of the Notes to be by bank wire or intrabank transfer of Federal or other immediately available funds to:

JP Morgan Chase Bank
New York, New York 10019
ABA No. 021-000-021
Credit: New York Life Insurance Company
General Account No. 008-9-00687
Reference: PPN No. 679580 B# 6; Old Dominion Freight Line, Inc.
4.68% Series 2005-A Senior Notes, Tranche A
With sufficient information (including issuer, PPN number, interest rate, maturity and whether payment is of principal, premium, or interest) to identify the source and application of such funds.

With advice of such payments to:

New York Life Insurance Company
c/o New York Life Investment Management LLC
51 Madison Avenue
New York, New York 10010-1603
Attention: Financial Management and Operations Group
Securities Operation
2nd Floor
Fax #: (212) 447-4160

All other communications:

New York Life Insurance Company
c/o New York Life Investment Management LLC
51 Madison Avenue
New York, New York 10010
Attention: Securities Investment Group Private Finance
Fax Number: (212) 447-4122

Notices regarding defaults or Events of Defaults under the operative documents to the attention of:

New York Life Insurance Company
Office of General Counsel
51 Madison Avenue
Investment Section, Room 1104
New York, New York 10010
Fax #: (212) 576-8340

Name of Nominee in which Notes are to be issued: None

Taxpayer I.D. Number: 13-5582869

NAME AND ADDRESS OF PURCHASER	TRANCHE	PRINCIPAL AMOUNT OF NOTES TO BE PURCHASED
NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION c/o New York Life Investment Management LLC 51 Madison Avenue New York, New York 10010 Attention: Securities Investment Group Private Finance	A	\$5,000,000.00

Payments

All payments by wire or intrabank transfer of immediately available funds to:

JP Morgan Chase Bank
New York, New York
ABA No. 021-000-021
Credit: New York Life Insurance and Annuity Corporation
General Account No. 323-8-47382
Attention: PPN No, 679580 B# 6; Old Dominion Freight Line, Inc.
4.68% Series 2005-A, Senior Notes, Tranche A

With sufficient information (including issuer, PPN number, interest rate, maturity and whether payment is of principal, premium, or interest) to identify the source and application of such funds.

With advice of such payments to:

New York Life Insurance and Annuity Corporation
c/o New York Life Investment Management LLC
51 Madison Avenue
New York, New York 10010-1603
Attention: Financial Management and Operations Group
Securities Operation
2nd Floor
Fax #: (212) 447-4160

All other communications:

New York Life Insurance and Annuity Corporation
c/o New York Life Investment Management LLC
51 Madison Avenue
New York, New York 10010-1603
Attention: Securities Investment Group Private Finance
2nd Floor
Fax #: (212) 447-4122

With a copy of any notices regarding defaults or Events of Default under the operative documents to:

Office of General Counsel
Investment Section, Room 1104
Fax #: (212) 576-8340

Name of Nominee in which Notes are to be issued: None.

Taxpayer I.D. Number: 13-3044743

NAME AND ADDRESS OF PURCHASER	TRANCHE	PRINCIPAL AMOUNT OF NOTES TO BE PURCHASED
UNITED OF OMAHA LIFE INSURANCE COMPANY c/o Prudential Private Placement Investors, L.P. 4 Gateway Center, 100 Mulberry Street Newark, NJ 07102 Attention: Albert Trank, Managing Director Telephone: (973) 802-8608 Facsimile: (973) 624-6432	A	\$2,900,000.00

Payments

All principal, interest and Make-Whole Amount payments on account of Notes held by such purchaser shall be made by wire transfer of immediately available funds credit to:

Bank: JP Morgan Chase Bank

ABA #: 021-000-021

Private Income Processing

Account Name: United of Omaha Life Insurance Company

Account No. 900-9000200

A/c: G09588

Reference: Each such wire transfer shall set forth the name of the Company, a reference to:

Old Dominion Freight Line, Inc., 4.68% Series-A, Senior Notes, Tranche A, due February 25, 2015, PPN # 679580 B# 6, and the due date and application (as among principal, interest and Make-Whole Amount) of the payment being made and due February 25, 2015, with sufficient information (including issuer, PPN number, interest rate, maturity and whether payment is of principal, premium, or interest) to identify the source and application of such funds.

All payments, other than principal, interest or Make-Whole Amount, on account of Notes held by such purchaser shall be made by wire transfer of immediately available funds for credit to:

JP Morgan Chase Bank

ABA No. 021-000-021

Account No. G09588

Account Name: United of Omaha Life Insurance Co.

Reference: Each such wire transfer shall set forth the name of the Company, a reference to:

Old Dominion Freight Line, Inc., 4.68% Series-A, Senior Note, Tranche A, due February 25, 2015, PPN # 679580 B# 6 and the due date and application (e.g. type of fee) of the payment being made.

Notices

All notices relating to payments to be addressed:

JP Morgan Chase Bank
14201 Dallas Parkway - 13th Floor
Dallas, TX 75254-2917
Attention: Income Processing - G. Ruiz
A/c: G09588

All other communications and notices to be addressed:

Prudential Private Placement Investors, L.P.
4 Gateway Center, 100 Mulberry Street
Newark, NJ 07102
Attention: Albert Trank, Managing Director
Telephone: (973) 802-8608
Facsimile: (973) 624-6432

Note Delivery

Send physical security by nationwide overnight delivery service to:

JP Morgan Chase
North America Insurance - 5th Floor
3 Chase Metrotech Center
Brooklyn, NY 11245
Attention: Patricia A. Radzicki
Telephone: (718) 242-8475

Please include in the cover letter accompanying the Notes a reference to the Purchaser's account number (United of Omaha Life Insurance Company; Account No. G09588).

Send a copy by nationwide overnight delivery service to:

Prudential Capital Group
4 Gateway Center
100 Mulberry Street, 7th Floor
Newark, NJ 07102
Attention: Trade Management, Manager

Old Dominion Freight Line, Inc.

Note Purchase Agreement

Telephone: (973) 367-3141

Name of Nominee in which Notes are to be issued: None

Taxpayer I.D. Number: 47-0322111

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NAME AND ADDRESS OF PURCHASER	TRANCHE	PRINCIPAL AMOUNT OF NOTES TO BE PURCHASED
SECURITY BENEFIT LIFE INSURANCE COMPANY, INC. c/o Prudential Private Placement Investors, L.P. 4 Gateway Center, 100 Mulberry Street Newark, NJ 07102 Attention: Albert Trank, Managing Director Telephone: (973) 802-8608 Facsimile: (973) 624-6432	A	\$2,100,000.00

Payments

All payments on account of Notes held by such purchaser shall be made by wire transfer of immediately available funds for credit to:

Bank: UMB Bank N.A.
ABA #: 101000695
Account Name: Trust Operations
Account No. 9870161974
Reference: Security Benefit Life Ins. Co. Acct.# 126139.1

Each such wire transfer shall set forth the name of the Company, a reference to:

Old Dominion Freight Line, Inc. 4.68% Series-A, Senior Note, Tranche A, due February 25, 2015, PPN # 679580 B# 6 and the due date and application (as among principal, interest and Make-Whole Amount) of the payment being made and with sufficient information (including issuer, PPN number, interest rate, maturity and whether payment is of principal, premium, or interest) to identify the source and application of such funds.

Notices

All notices of payments and written confirmations of such wire transfers to be addressed:

UMB Bank N.A.
928 Grand Boulevard, 10th Floor
Kansas City, MO 64106
Attention: Mike Ortiz

All other notices and communications to addressed:

Prudential Private Placement Investors, L.P.
4 Gateway Center, 100 Mulberry Street
Newark, NJ 07102
Attention: Albert Trank, Managing Director
Telephone: (973) 802-8608
Facsimile: (973) 624-6432

Note Delivery

Send physical security by nationwide overnight delivery service to:

United Missouri Bank
DTC/NY WINDOW
Account: 2450 UMB Bank
FFC: Security Benefit-Private Placement, Account No. 690308200
55 Water Street, Concourse Level
New York, New York 10041

Send a copy by nationwide overnight delivery service to:

Prudential Capital Group
4 Gateway Center, 100 Mulberry Street, 7th Floor
Newark, NJ 07102
Attention: Trade Management, Manager
Telephone: (973) 367-3141

Name of Nominee in which Notes are to be issued: UMBTRU&CO

Taxpayer I.D. Number: 43-6295832

NAME AND ADDRESS OF PURCHASER	TRANCHE	PRINCIPAL AMOUNT OF NOTES TO BE PURCHASED
PRUDENTIAL RETIREMENT INSURANCE AND ANNUITY COMPANY c/o Prudential Capital Group 1170 Peachtree Street, Suite 500 Atlanta, GA 30309 Attention: Managing Director	A	\$5,000,000.00

Payments

All payments on account of Notes held by such purchaser shall be made by wire transfer of immediately available funds for credit to:

Bank: JP Morgan Chase Bank
 ABA #: 021000021
 Account No. 9009002925

Each such wire transfer shall set forth the name of the Company, a reference to:

Old Dominion Freight Line, Inc. 4.68% Series-A, Senior Note, Tranche A, due February 25, 2015, PPN # 679580 B# 6 and the due date and application (as among principal, interest and Make-Whole Amount) of the payment being made and with sufficient information (including issuer, PPN number, interest rate, maturity and whether payment is of principal, premium, or interest) to identify the source and application of such funds.

Notices

All notices of payments and written confirmations of such wire transfers to be addressed:

Prudential Retirement Insurance and Annuity Company

c/o Prudential Investment Management, Inc.
Private Placement Trade Management
PRIAC Administration
4 Gateway Center, 7th Floor
100 Mulberry Street
Newark, NJ 07102

Telephone: (973) 802-8107

Telecopier: (800) 224-2278

All other notices and communications to addressed:

Prudential Retirement Insurance and Annuity Company

c/o Prudential Capital Group
1170 Peachtree Street, Suite 500
Atlanta, GA 30309
Attention: Managing Director

Note Delivery

Send physical security by nationwide overnight delivery service to:

Prudential Capital Group
1170 Peachtree Street, Suite 500
Atlanta, GA 30309
Attention: Michael R. Fierro
Telephone: (404) 870-3753

Name of Nominee in which Notes are to be issued: Pru & Co.

Taxpayer I.D. Number: 20-0765614

NAME AND ADDRESS OF PURCHASER	TRANCHE	PRINCIPAL AMOUNT OF NOTES TO BE PURCHASED
ALLSTATE LIFE INSURANCE COMPANY 3075 Sanders Road, STE G5D Northbrook, Illinois 60062-7127 Attention: Private Placements Department Telephone Number: (847) 402-7117 Telecopy Number: (847) 402-3092	B	\$5,000,000.00

Payments

All payments on or in respect of the Notes to be made by Fedwire transfer of immediately available funds, identifying the name of the Issuer, the Private Placement Number preceded by "DPP" and the payment as principal, interest or premium, in the exact format as follows:

Bank: Citibank
 ABA #: 021000089
 Acct.
 Name: Allstate Life Insurance Company Collection Account—PP
 Acct. #: 30547007
 Reference: PPN # 679580 C 9 - Old Dominion Freight Line, Inc.
 4.68% Series 2005-A Senior Notes, Tranche B
 Payment Due Date (11/30/2007) - P _____ (Enter "P" and the amount of principal being remitted, for example, P5000000.00) - I _____ (Enter "I" and the amount of interest being remitted, for example, I225000.00)

Notices

All notices of scheduled payments and written confirmation of each such payment, to be sent to:

Allstate Investments LLC
 Investment Operations—Private Placements
 3075 Sanders Road, STE G4A
 Northbrook, Illinois 60062-7127
 Telephone: (847) 402-6672 Private Placements
 Telecopy: (847) 326-7032
 E-Mail: PrivateIOD@allstate.com

Securities to be delivered to:

Citibank N.A.
 333 West 34th Street
 3rd Floor Securities Vault
 New York, New York 10001
 Attention: Danny Reyes
 For Allstate life Insurance Company/Safekeeping Account No. 846627

All financial reports, compliance certificates and all other written communications, including notice of prepayments to be sent by e-mail (PrivateCompliance@allsate.com) or hard copy addressed as first provided above.

Name of Nominee in which Notes are to be issued: None

Taxpayer I.D. Number: 36-2554642

NAME AND ADDRESS OF PURCHASER	TRANCHE	PRINCIPAL AMOUNT OF NOTES TO BE PURCHASED
ALLSTATE LIFE INSURANCE COMPANY OF NEW YORK 3075 Sanders Road, STE G5D Northbrook, Illinois 60062-7127 Attention: Private Placements Department Telephone Number: (847) 402-7117 Telecopier Number: (847) 402-3092	B	\$1,666,667.00

Payments

All payments on or in respect of the Notes to be made by Fedwire transfer of immediately available funds, identifying the name of the Issuer, the Private Placement Number preceded by "DPP" and the payment as principal, interest or premium, in the exact format as follows:

Bank: Citibank
 ABA #: 021000089
 Acct. Name: Allstate Life Insurance Company of New York Collection Account—PP
 Acct. #: 30547007
 Reference: DPP – PPN No. 679580 C* 9; Old Dominion Freight Line, Inc.
 4.68% Series 2005-A - Senior Notes, Tranche B
 Payment Due Date (11/30/2008 - P _____ (Enter "P" and the amount of principal being remitted, for example, P5000000.00)—I _____ (Enter "I" and the amount of interest being remitted, for example, I225000.00)

Notices

All notices of scheduled payments and written confirmation of each such payment, to be sent to:

Allstate Investments LLC
 Investment Operations-Private Placements Department
 3075 Sanders Road, STE G4A
 Northbrook, Illinois 60062-7127
 Telephone: (847) 402-6672-Private Placements
 Telecopy: (847) 326-7032
 E-Mail: PrivateIOD@allstate.com

Securities to be delivered to:

Citibank, N.A.
333 West 34th Street
3rd Floor Securities Vault
New York, New York 10001
Attention: Danny Reyes
For Allstate life Insurance Company of New York/Safekeeping Account No. 846684

All financial reports, compliance certificates and all other written communications, including notice of prepayments to be sent by e-mail (PrivateCompliance@allsate.com) or hard copy addressed as first provided above.

Name of Nominee in which Notes are to be issued: None

Taxpayer I.D. Number: 36-2554642

NAME AND ADDRESS OF PURCHASER	TRANCHE	PRINCIPAL AMOUNT OF NOTES TO BE PURCHASED
METROPOLITAN LIFE INSURANCE COMPANY 1 MetLife Plaza 27-01 Queens Plaza North Long Island City, New York 11101	B	\$6,666,666.00

Payments

All scheduled payments of principal and interest by wire transfer of immediately available funds to:

JPMorgan Chase Bank
 ABA Routing #: 021-000-021
 Account Number: 002-2-410591
 Account Name: Metropolitan Life Insurance Company
 Reference: Old Dominion Freight Line, Inc. ,
 4.68% Series 2005-A Senior Notes, Tranche B ,
 PPN No. 679580 C* 9, due February 25, 2015

With sufficient information to identify the source and application of such funds, including issuer, PPN#, interest rate, maturity and whether payment is of principal, interest, make whole amount or otherwise.

For all payments other than scheduled payments of principal and interest, the Company shall seek instructions from the holder, and in the absence of instructions to the contrary, will make such payments to the account and in the manner set forth above.

Notices

All notices and communications, including notices with respect to payments and written confirmation of each such payment, to be addressed:

Metropolitan Life Insurance Company
 Investments, Private Placements
 10 Park Avenue
 Morristown, New Jersey 07962-1902
 Attention: Director
 Fax Number: (973) 355-4250

With a copy (OTHER than with respect to deliveries of financial statements) to:

Metropolitan Life Insurance Company
 10 Park Avenue
 Morristown, New Jersey 07962-1902
 Attention: Chief Counsel - Securities Investments (PRIV)
 Fax Number: (973) 355-4338

Original Notes delivered to:

Metropolitan Life Insurance Company
Securities Investments, Law Department
10 Park Avenue
Morristown, New Jersey 07962-1902
Attention: Richard Clarke

Name of Nominee in which Notes are to be issued: Metropolitan Life Insurance Company

Taxpayer I.D. Number: 13-5581829

NAME AND ADDRESS OF PURCHASER	TRANCHE	PRINCIPAL AMOUNT OF NOTES TO BE PURCHASED
NEW YORK LIFE INSURANCE COMPANY c/o New York Life Investment Management LLC 51 Madison Avenue New York, New York 10010 Attention: Securities Investment Group Private Finance	B	\$4,166,667.00

Payments

All payments on or in respect of the Notes to be by bank wire or intrabank transfer of Federal or other immediately available funds to:

JP Morgan Chase Bank
New York, New York 10019
ABA No. 021-000-021
Credit: New York Life Insurance Company
General Account No. 008-9-00687
Reference: PPN No. 679580 C* 9; Old Dominion Freight Line, Inc.
4.68% Series 2005-A- Senior Notes, Tranche B

With sufficient information (including issuer, PPN number, interest rate, maturity and whether payment is of principal, premium, or interest) to identify the source and application of such funds.

With advice of such payments to:

New York Life Insurance Company
c/o New York Life Investment Management LLC
51 Madison Avenue
New York, New York 10010-1603
Attention: Financial Management and Operations Group
Securities Operation
2nd Floor
Fax #: (212) 447-4160

All other communications:

New York Life Insurance Company
c/o New York Life Investment Management LLC
51 Madison Avenue
New York, New York 10010
Attention: Securities Investment Group Private Finance
Fax Number: (212) 447-4122

Notices regarding defaults or Events of Defaults under the operative documents to the attention of:

New York Life Insurance Company
Office of General Counsel
51 Madison Avenue
Investment Section, Room 1104
New York, New York 10010
Fax #: (212) 576-8340

Name of Nominee in which Notes are to be issued: None

Taxpayer I.D. Number: 13-5582869

NAME AND ADDRESS OF PURCHASER	TRANCHE	PRINCIPAL AMOUNT OF NOTES TO BE PURCHASED
NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION c/o New York Life Investment Management LLC 51 Madison Avenue New York, New York 10010 Attention: Securities Investment Group Private Finance	B	\$2,500,000.00

Payments

All payments by wire or intrabank transfer of immediately available funds to:

JP Morgan Chase Bank
 New York, New York
 ABA No. 021-000-021
 Credit: New York Life Insurance and Annuity Corporation
 General Account No. 323-8-47382
 Attention: PPN No. 679580 C* 9; Old Dominion Freight Line, Inc.

4.68% Series 2005-A, Senior Notes, Tranche B

With sufficient information (including issuer, PPN number, interest rate, maturity and whether payment is of principal, premium, or interest) to identify the source and application of such funds.

With advice of such payments to:

New York Life Insurance and Annuity Corporation
 c/o New York Life Investment Management LLC
 51 Madison Avenue
 New York, New York 10010-1603
 Attention: Financial Management and Operations Group
 Securities Operation
 2nd Floor
 Fax #: (212) 447-4160

All other communications:

New York Life Insurance and Annuity Corporation
c/o New York Life Investment Management LLC
51 Madison Avenue
New York, New York 10010-1603
Attention: Securities Investment Group Private Finance
2nd Floor
Fax #: (212) 447-4122

With a copy of any notices regarding defaults or Events of Default under the operative documents to:

Office of General Counsel
Investment Section, Room 1104
Fax #: (212) 576-8340

Name of Nominee in which Notes are to be issued: None

Taxpayer I.D. Number: 13-3044743

NAME AND ADDRESS OF PURCHASER	TRANCHE	PRINCIPAL AMOUNT OF NOTES TO BE PURCHASED
UNITED OF OMAHA LIFE INSURANCE COMPANY c/o Prudential Capital Group 4 Gateway Center 100 Mulberry Street, 7th Floor Newark, NJ 07102 Attention: Trade Management Manager Telephone Number: (9730) 367-3141	B	\$1,450,000.00

Payments

All principal, interest and Make-Whole Amount payments on account of Notes held by such purchaser shall be made by wire transfer of immediately available funds credit to:

Bank: JP Morgan Chase Bank
 ABA #: 021-000-021
 Private Income Processing

Account Name: United Omaha Life Insurance Company
 Account No. 900-9000200
 A/c: G09588

Reference : Each such wire transfer shall set forth the name of the Company, a reference to:

Old Dominion Freight Line, Inc. 4.68% Series-A, Senior Notes, Tranche B, PPN # 679580 C* 9, payment due February 25, 2015 and the due date and application (as among principal, interest and Make-Whole Amount) of the payment being made and due February 25, 2015 and with sufficient information (including issuer, PPN number, interest rate, maturity and whether payment is of principal, premium, or interest) to identify the source and application of such funds.

All payments, other than principal, interest or Make-Whole Amount, on account of Notes held by such purchaser shall be made by wire transfer of immediately available funds for credit to:

JP Morgan Chase Bank
 ABA No. 021-000-021
 Account No. G09588
 Account Name: United of Omaha Life Insurance Co.

Reference: Each such wire transfer shall set forth the name of the Company, a reference to: Old Dominion Freight Line, Inc., 4.68% Series-A, Senior Note, Tranche B due February 25, 2015, PPN # 679580 C* 9 and the due date and application (e.g. type of fee) of the payment being made.

Notices

All notices relating to payments to be addressed :

JP Morgan Chase Bank
14201 Dallas Parkway - 13th Floor
Dallas, TX 75254-2917
Attention: Income Processing - G. Ruiz
A/c: G09588

All other communications and notices to be addressed:

Prudential Private Placement Investors, L.P.
4 Gateway Center, 100 Mulberry Street
Newark, NJ 07102
Attention: Albert Trank, Managing Director
Telephone: (973) 802-8608
Facsimile: (973) 624-6432

Note Delivery

Send physical security by nationwide overnight delivery service to:

JP Morgan Chase
North America Insurance - 5th Floor
3 Chase Metrotech Center
Brooklyn, NY 11245
Attention: Patricia A. Radzicki
Telephone: (718) 242-8475

Please include in the cover letter accompanying the Notes a reference to the Purchaser's account number (United of Omaha Life Insurance Company; Account No. G09588).

Send a copy by nationwide overnight delivery service to:

Prudential Capital Group
4 Gateway Center
100 Mulberry Street, 7th Floor
Newark, NJ 07102
Attention: Trade Management, Manager
Telephone: (973) 367-3141

Name of Nominee in which Notes are to be issued: None

Taxpayer I.D. Number: 47-0322111

NAME AND ADDRESS OF PURCHASER	TRANCHE	PRINCIPAL AMOUNT OF NOTES TO BE PURCHASED
SECURITY BENEFIT LIFE INSURANCE COMPANY c/o Prudential Capital Group 4 Gateway Center 100 Mulberry Street, 7th Floor Newark, NJ 07102 Attention: Trade Management	B	\$1,050,000.00

Payments

All payments on account of Notes held by such purchaser shall be made by wire transfer of immediately available funds for credit to:

Bank: UMB Bank
 ABA #: 101000695
 Account Name: Trust Operations
 Account No. 9870161974
 Reference: Security Benefit Life Ins. Co. Acct.# 126139.1

Each such wire transfer shall set forth the name of the Company, a reference to:

Old Dominion Freight Line, Inc. 4.68% Series-A, Senior Note, Tranche B, due February 25, 2015, PPN # 679580 C* 9 and the due date and application (as among principal, interest and Make-Whole Amount) of the payment being made and with sufficient information (including issuer, PPN number, interest rate, maturity and whether payment is of principal, premium, or interest) to identify the source and application of such funds.

Notices

All notices of payments and written confirmations of such wire transfers to be addressed:

UMB Bank
 928 Grand Boulevard, 10th Floor
 Kansas City, MO 64106
 Attention: Mike Ortiz

All other notices and communications to addressed:

Prudential Private Placement Investors, LLP
4 Gateway Center, 100 Mulberry Street
Newark, NJ 07102
Attention: Albert Trank, Managing Director
Telephone: (973) 802-8608
Facsimile: (973) 624-6432

Note Delivery

Send physical security by nationwide overnight delivery service to:

United Missouri Bank
DTC/NY WINDOW
Account: 2450 UMB Bank
FCC: Security Benefit-Private Placement, Account No. 690308200
55 Water Street, Course Level
New York, New York 10041

Send a copy by nationwide overnight delivery service to:

Please include in the cover letter accompanying the Notes a reference to the Purchaser's account number (United of Omaha Life Insurance Company; Account No. G09588).

Send a copy by nationwide overnight delivery service to:

Prudential Capital Group
Gateway Center 4
100 Mulberry Street, 7th Floor
Newark, NJ 07102
Attention: Trade Management, Manager
Telephone: (973) 367-3141

Name of Nominee in which Notes are to be issued: UMBTRU&CO

Taxpayer I.D. Number: 43-6295832

Payments

NAME AND ADDRESS OF PURCHASER	TRANCHE	PRINCIPAL AMOUNT OF NOTES TO BE PURCHASED
PRUDENTIAL RETIREMENT INSURANCE AND ANNUITY COMPANY c/o Prudential Retirement Insurance and Annuity Company c/o Prudential Capital Group 1170 Peachtree Street, Suite 500 Atlanta, GA 30309 Attention: Managing Director	B	\$2,500,000.00

All payments on account of Notes held by such purchaser shall be made by wire transfer of immediately available funds for credit to:

Bank: JP Morgan Chase Bank
 ABA #: 021000021
 Account No. 9009002925

Each such wire transfer shall set forth the name of the Company, a reference to:

Old Dominion Freight Line, Inc. 4.68% Series-A, Senior Note, Tranche B, due February 25, 2015, PPN # 679580 C* 9 and the due date and application (as among principal, interest and Make-Whole Amount) of the payment being made and with sufficient information (including issuer, PPN number, interest rate, maturity and whether payment is of principal, premium, or interest) to identify the source and application of such funds.

Notices

All notices of payments and written confirmations of such wire transfers to be addressed:

Prudential Retirement Insurance and Annuity Company
c/o Prudential Investment Management, Inc.
Private Placement Trade Management
PRIAC Administration
4 Gateway Center, 7th Floor
100 Mulberry Street
Newark, NJ 07102

Telephone: (973) 802-8107
Telecopier: (800) 224-2278

All other notices and communications to addressed:

Prudential Retirement Insurance and Annuity Company
c/o Prudential Capital Group
1170 Peachtree Street, Suite 500
Atlanta, GA 30309
Attention: Managing Director

Note Delivery

Send physical security by nationwide overnight delivery service to:

Prudential Capital Group
1170 Peachtree Street, Suite 500
Atlanta, GA 30309
Attention: Michael R. Fierro
Telephone: (404) 870-3753

Name of Nominee in which Notes are to be issued: Pru & Co.

Taxpayer I.D. Number: 20-0765614

DEFINED TERMS

As used herein, the following terms have the respective meanings set forth below or set forth in the Section hereof following such term:

“Additional Notes” is defined in Section 2.2.

“Additional Purchasers” means purchasers of Additional Notes.

“Administrative Agent” means [Bank of America, N.A.] in its capacity as administrative agent under the Bank Credit Agreement, together with its successors and assigns in such capacity.

“Affiliate” means, at any time, and with respect to any Person, (a) any other Person that at such time directly or indirectly through one or more intermediaries Controls, or is Controlled by, or is under common Control with, such first Person, and (b) any Person beneficially owning or holding, directly or indirectly, 10% or more of any class of voting or equity interests of the Company or any Subsidiary or any Person of which the Company and its Subsidiaries beneficially own or hold, in the aggregate, directly or indirectly, 10% or more of any class of voting or equity interests. As used in this definition, *“Control”* means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise. Unless the context otherwise clearly requires, any reference to an *“Affiliate”* is a reference to an Affiliate of the Company.

“Anti-Terrorism Order” means Executive Order No. 13,224 of September 24, 2001, Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit or Support Terrorism, 66 U.S. Fed. Reg. 49, 079 (2001), as amended.

“Bank Credit Agreement” means the Credit Agreement dated as of June 30, 2003 by and among the Company, certain Subsidiaries of the Company named therein, the Administrative Agent, and the other financial institutions party thereto, as amended, restated, joined, supplemented or otherwise modified from time to time, and any renewals, extensions or replacements thereof, which constitute the primary bank credit facility of the Company and its Subsidiaries.

“Bank Lenders” means the banks and financial institutions party to the Bank Credit Agreement.

“Business Day” means any day other than a Saturday, a Sunday or a day on which commercial banks in New York, New York are required or authorized to be closed.

“Capital Lease” means, at any time, a lease with respect to which the lessee is required concurrently to recognize the acquisition of an asset and the incurrence of a liability in accordance with GAAP.

“*Capital Lease Obligation*” means, with respect to any Person and a Capital Lease, the amount of the obligation of such Person as the lessee under such Capital Lease which would, in accordance with GAAP, appear as a liability on a balance sheet of such Person.

“*Closing*” is defined in Section 3.

“*Code*” means the Internal Revenue Code of 1986, as amended from time to time, and the rules and regulations promulgated thereunder from time to time.

“*Company*” means Old Dominion Freight Line, Inc., a Virginia corporation.

“*Confidential Information*” is defined in Section 20.

“*Consolidated Debt*” means as of any date of determination the total amount of all Debt of the Company and its Subsidiaries determined on a consolidated basis in accordance with GAAP.

“*Consolidated EBITDAR*” shall mean, for any period, Consolidated Net Income for such period plus (to the extent deducted in computing such Consolidated Net Income and without duplication) (a) depreciation, depletion, if any, and amortization expense for such period, (b) income tax expense for such period, (c) other non-cash charges for such period, and (d) Consolidated Fixed Charges for such period, all as determined in accordance with GAAP.

“*Consolidated Fixed Charges*” means, with respect to any period, the sum of (i) Consolidated Net Interest Expense for such period plus (ii) Lease Rentals for such period, determined on a consolidated basis for the Company and its Subsidiaries.

“*Consolidated Net Income*” shall mean, for any period, the consolidated net income (or loss) of the Company and its Subsidiaries for such period, determined on a consolidated basis in accordance with GAAP.

“*Consolidated Net Interest Expense*” shall mean, for any period, the difference between (i) gross interest expense of the Company and its Subsidiaries deducted in the calculation of Consolidated Net Income for such period, and (ii) the gross interest income of the Company and its subsidiaries included in the calculation of Consolidated Net Income for such period, determined on a consolidated basis in accordance with GAAP.

“*Consolidated Net Worth*” shall mean the consolidated stockholder’s equity of the Company and its Subsidiaries, as defined according to GAAP.

“*Consolidated Total Assets*” means, as of any date of determination, the total amount of all assets of the Company and its Subsidiaries, determined on a consolidated basis in accordance with GAAP.

“*Consolidated Total Capitalization*” means, at any time, the sum of (i) Consolidated Net Worth and (ii) Consolidated Debt.

“*Debt*” means, with respect to any Person, without duplication,

(a) its liabilities for borrowed money;

(b) its liabilities for the deferred purchase price of property acquired by such Person (excluding accounts payable and other accrued liabilities arising in the ordinary course of business but including, without limitation, all liabilities created or arising under any conditional sale or other title retention agreement with respect to any such property);

(c) its Capital Lease Obligations;

(d) its liabilities for borrowed money secured by any Lien with respect to any property owned by such Person (whether or not it has assumed or otherwise become liable for such liabilities); and

(e) Guarantees by such Person with respect to liabilities of a type described in any of clauses (a) through (d) hereof.

Debt of any Person shall include all obligations of such Person of the character described in clauses (a) through (e) to the extent such Person remains legally liable in respect thereof notwithstanding that any such obligation is deemed to be extinguished under GAAP.

“*Default*” means an event or condition the occurrence or existence of which would, with the lapse of time or the giving of notice or both, become an Event of Default.

“*Default Rate*” means with respect to the Notes of any Series that rate of interest that is 2% per annum above the rate of interest stated in clause (a) of the first paragraph of the Notes of such Series (and of such tranche if such Series has separate tranches).

“*Electronic Delivery*” is defined in Section 7.1(a).

“*Environmental Laws*” means any and all federal, state, local, and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or governmental restrictions relating to pollution and the protection of the environment or the release of any materials into the environment, including but not limited to those related to hazardous substances or wastes, air emissions and discharges to waste or public systems.

“*ERISA*” means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the rules and regulations promulgated thereunder from time to time in effect.

“*ERISA Affiliate*” means any trade or business (whether or not incorporated) that is treated as a single employer together with the Company under section 414 of the Code.

“*Event of Default*” is defined in Section 11.

“*Exchange Act*” means the Securities Exchange Act of 1934, as amended.

“*Fair Market Value*” means, at any time and with respect to any property, the sale value of such property that would be realized in an arm’s-length sale at such time between an informed and willing buyer and an informed and willing seller (neither being under a compulsion to buy or sell), as reasonably determined in the good faith opinion of the Company’s board of directors.

“*GAAP*” means those generally accepted accounting principles as in effect from time to time in the United States of America; provided that, if the Company notifies the Required Holders that the Company wishes to amend any negative covenants (or any definition hereof) to eliminate the effect of any change in generally accepted accounting principles on the operation of such covenant or definition, then the Company’s compliance with such covenant or the meaning of such definition shall be determined on the basis of generally accepted accounting principles in effect immediately before the relevant change in generally accepted accounting principles became effective, until either such notice is withdrawn or such covenant is amended in a manner satisfactory to the Company and the Required Holders.

“*Governmental Authority*” means

(a) the government of

(i) the United States of America or any state or other political subdivision thereof, or

(ii) any jurisdiction in which the Company or any Subsidiary conducts all or any part of its business, or which has jurisdiction over any properties of the Company or any Subsidiary, or

(b) any entity exercising executive, legislative, judicial, regulatory or administrative functions of, or pertaining to, any such government.

“*Guaranty*” means, with respect to any Person, any obligation (except the endorsement in the ordinary course of business of negotiable instruments for deposit or collection) of such Person guaranteeing or in effect guaranteeing any Debt, dividend or other obligation of any other Person in any manner, whether directly or indirectly, including (without limitation) obligations incurred through an agreement, contingent or otherwise, by such Person:

(a) to purchase such Debt or obligation or any property constituting security therefor primarily for the purpose of assuring the owner of such Debt or obligation of the ability of any other Person to make payment of the Debt or obligation;

(b) to advance or supply funds (i) for the purchase or payment of such Debt or obligation, or (ii) to maintain any working capital or other balance sheet condition or any income statement condition of any other Person or otherwise to advance or make available funds for the purchase or payment of such Debt or obligation;

(c) to lease properties or to purchase properties or services primarily for the purpose of assuring the owner of such Debt or obligation of the ability of any other Person to make payment of the Debt or obligation; or

(d) otherwise to assure the owner of such Debt or obligation against loss in respect thereof.

In any computation of the Debt or other liabilities of the obligor under any Guaranty, the Debt or other obligations that are the subject of such Guaranty shall be assumed to be direct obligations of such obligor, *provided* that the amount of such Debt outstanding for purposes of this Agreement shall not exceed the maximum amount of Debt that is the subject of such Guaranty.

"Hazardous Material" means any and all pollutants, toxic or hazardous wastes or other substances that might pose a hazard to health and safety, the removal of which may be required or the generation, manufacture, refining, production, processing, treatment, storage, handling, transportation, transfer, use, disposal, release, discharge, spillage, seepage or filtration of which is or shall be restricted, prohibited or penalized by any applicable law including, but not limited to, asbestos, urea formaldehyde foam insulation, polychlorinated biphenyls, petroleum, petroleum products, lead based paint, radon gas or similar restricted, prohibited or penalized substances.

"Holder" means, with respect to any Note, the Person in whose name such Note is registered in the register maintained by the Company pursuant to Section 13.1.

"Institutional Investor" means (a) any original purchaser of a Note, (b) any holder of more than \$2,000,000 of the aggregate principal amount of the Notes then outstanding, and (c) any bank, trust company, savings and loan association or other financial institution, any pension plan, any investment company, any insurance company, any broker or dealer, or any other similar financial institution or entity, regardless of legal form.

"Investments" shall mean all investments, in cash or by delivery of property made, directly or indirectly in any Person, whether by acquisition of shares of capital stock, Debt or other obligations or securities or by loan, advance, capital contribution or otherwise.

"Lease Rentals" shall mean, for any period, the aggregate amount of all payments that the Company is required to make pursuant to the terms of any lease by the Company of any building (including, without limitation, any of the Company's leased terminals and similar facilities) or office equipment or revenue producing equipment which lease has a term of more than six (6) months, including renewals thereof.

"Lien" means, with respect to any Person, any mortgage, lien, pledge, charge, security interest or other encumbrance, or any interest or title of any vendor, lessor, lender or other secured party to or of such Person under any conditional sale or other title retention agreement (other than an operating lease) or Capital Lease, upon or with respect to any property or asset of

such Person (including, in the case of stock, shareholder agreements, voting trust agreements and all similar arrangements).

“*Make-Whole Amount*” shall have the meaning (i) set forth in Section 8.6 with respect to any Series A Note and (ii) set forth in the applicable Supplement with respect to any other Series of Notes.

“*Material*” means material in relation to the business, operations, affairs, financial condition, assets or properties of the Company and its Subsidiaries taken as a whole.

“*Material Adverse Effect*” means a material adverse effect on (a) the business, operations, affairs, financial condition, assets or properties of the Company and its Subsidiaries taken as a whole, or (b) the ability of the Company to perform its obligations under this Agreement (including any Supplement) and the Notes, or (c) the validity or enforceability of this Agreement (including any Supplement), the Notes or the Subsidiary Guaranty.

“*Material Subsidiary*” means, at any time, any Subsidiary of the Company which, together with all other Subsidiaries of such Subsidiary, accounts for more than (i) 5% of the consolidated assets of the Company and its Subsidiaries or (ii) 5% of consolidated revenue of the Company and its Subsidiaries.

“*Memorandum*” is defined in Section 5.3.

“*Moody’s*” shall mean Moody Investors Service, Inc.

“*Multiemployer Plan*” means any Plan that is a “multiemployer plan” (as such term is defined in Section 4001(a)(3) of ERISA).

“*Notes*” is defined in Section 1.

“*Officer’s Certificate*” means a certificate of a Senior Financial Officer or of any other officer of the Company whose responsibilities extend to the subject matter of such certificate.

“*PBGC*” means the Pension Benefit Guaranty Corporation referred to and defined in ERISA or any successor thereto.

“*Person*” means an individual, partnership, corporation, limited liability company, association, trust, unincorporated organization, or a government or agency or political subdivision thereof.

“*Plan*” means an “employee benefit plan” (as defined in Section 3(3) of ERISA) that is or, within the preceding five years, has been established or maintained, or to which contributions are or, within the preceding five years, have been made or required to be made, by the Company or any ERISA Affiliate or with respect to which the Company or any ERISA Affiliate may have any liability.

“*Priority Debt*” means (without duplication), as of the date of any determination thereof, the sum of (i) all unsecured Debt of Subsidiaries (including all Guaranties of Debt of the Company but excluding (x) Debt owing to the Company or any other Subsidiary, (y) Debt outstanding at the time such Person became a Subsidiary, provided that such Debt shall have not been incurred in contemplation of such person becoming a Subsidiary, and (z) all Guaranties of Debt of the Company by any Subsidiary which has also guaranteed the Notes) and (ii) all Debt of the Company and its Subsidiaries secured by Liens other than Debt secured by Liens permitted by subparagraphs (a) through (i), inclusive, of Section 10.4.

“*property*” or “*properties*” means, unless otherwise specifically limited, real or personal property of any kind, tangible or intangible, choate or inchoate.

“*Purchasers*” means the purchasers of the Notes named in Schedule A hereto.

“*QPAM Exemption*” means Prohibited Transaction Class Exemption 84-14 issued by the United States Department of Labor.

“*Qualified Institutional Buyer*” means any Person who is a qualified institutional buyer within the meaning of such term as set forth in Rule 144A(1) under the Securities Act.

“*Ratable Portion*” means, with respect to any Note, an amount equal to the product of (x) the amount equal to the net proceeds being so applied to the prepayment of Senior Debt multiplied by (y) a fraction the numerator of which is the outstanding principal amount of such Note and the denominator of which is the aggregate principal amount of Senior Debt of the Company and its Subsidiaries.

“*Required Holders*” means, at any time, the holders of not less than 51% in principal amount of the Notes of all Series at the time outstanding (exclusive of Notes then owned by the Company or any of its Affiliates and any Notes held by parties who are contractually required to abstain from voting with respect to matters affecting the holders of the Notes).

“*Responsible Officer*” means any Senior Financial Officer and any other officer of the Company with responsibility for the compliance of the relevant portion of this Agreement.

“*S&P*” means Standard & Poor’s Ratings Group, a division of The McGraw-Hill Companies, Inc.

“*Securities Act*” means the Securities Act of 1933, as amended from time to time.

“*Senior Debt*” means, as of the date of any determination thereof, all Consolidated Debt, other than Subordinated Debt.

“*Senior Financial Officer*” means the chief financial officer, principal accounting officer, treasurer or comptroller of the Company.

“*Series*” means any series of Notes issued pursuant to this Agreement or any Supplement hereto.

“*Series A Notes*” is defined in Section 1 of this Agreement.

“*Subordinated Debt*” means all unsecured Debt of the Company which shall contain or have applicable thereto subordination provisions providing for the subordination thereof to other Debt of the Company (including, without limitation, the obligations of the Company under this Agreement, any Supplement or the Notes).

“*Subsidiary*” means, as to any Person, any corporation, association or other business entity in which such Person or one or more of its Subsidiaries or such Person and one or more of its Subsidiaries owns sufficient equity or voting interests to enable it or them (as a group) ordinarily, in the absence of contingencies, to elect a majority of the directors (or Persons performing similar functions) of such entity, and any partnership or joint venture if more than a 50% interest in the profits or capital thereof is owned by such Person or one or more of its Subsidiaries or such Person and one or more of its Subsidiaries (unless such partnership can and does ordinarily take major business actions without the prior approval of such Person or one or more of its Subsidiaries). Unless the context otherwise clearly requires, any reference to a “Subsidiary” is a reference to a Subsidiary of the Company.

“*Subsidiary Guarantor*” means each Subsidiary which is party to the Subsidiary Guaranty.

“*Subsidiary Guaranty*” is defined in Section 2.3 of this Agreement.

“*Supplement*” is defined in Section 2.2 of this Agreement.

“*tranche*” means all Notes of a Series having the same maturity, interest rate and schedule for mandatory prepayments.

“*Tranche A Notes*” is defined in Section 1 of this Agreement.

“*Tranche B Notes*” is defined in Section 1 of this Agreement.

“*USA Patriot Act*” means United States Public Law 107-56, Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT ACT) Act of 2001, as amended from time to time, and the rules and regulations promulgated thereunder from time to time in effect.

CHANGES IN CORPORATE STRUCTURE

None.

4.16-1

SUBSIDIARIES OF THE COMPANY, OWNERSHIP OF SUBSIDIARY STOCK, AFFILIATES

<u>SUBSIDIARY</u>	<u>STATE OF INCORPORATION</u>	<u>STOCKHOLDER</u>
ODIS, Inc.	Delaware	Company

The Company's directors are Earl E. Congdon (Chairman), John R. Congdon, John A. Ebeling, Harold G. Hoak, Franz F. Holscher, David S. Congdon, John R. Congdon, Jr., J. Paul Breitbach, and Robert G. Culp, III.

The Company's senior officers are Earl E. Congdon, John R. Congdon, David S. Congdon, John B. Yowell, J. Wes Frye, and Joel B. McCarty, Jr.

Other Investments of the Company and its Subsidiaries: None

The Company's affiliate is Old Dominion Truck Leasing, Inc.

Our Existing Debt, excluding IBM Credit Corp., limits the amount of dividends that may be paid to shareholders. See Schedule 5.15.

FINANCIAL STATEMENTS

Financial Statements included on Form 10-K and 10-Q available on Edgar.

5.4-1

LICENSES, PERMITS, ETC.

None.

5.4-1

EXISTING DEBT; FUTURE LIENS

IBM Credit Corp.	\$ 1,770,463
Wachovia Bank, N.A (Term Loan)	\$ 6,636,094
Wachovia Bank, N.A. (Revolver)	\$17,333,000
Nationwide Insurance Co.	\$ 2,500,000
New York Life Insurance Co.	\$11,214,286
Prudential Insurance Company of America	\$40,000,000
Total Existing Debt at December 31, 2004	<u>\$79,453,843</u>

No future liens. See Schedule 10.4.

EXISTING LIENS

IBM Credit Corp. (Capitalized leases respecting computer equipment)

Wachovia Bank, N.A. (Term Loan) (Purchase money credit facility secured by liens on the purchased tractors)

E-1(a)-2

[FORM OF TRANCHE A NOTE]

OLD DOMINION FREIGHT LINE, INC.

4.68% SERIES A SENIOR NOTE, TRANCHE A, DUE FEBRUARY 25, 2015

No. [_____]
\$[_____]

February 25, 2005
PPN 679580 B# 6

FOR VALUE RECEIVED, the undersigned, OLD DOMINION FREIGHT LINE, INC. (herein called the "Company"), a corporation organized and existing under the laws of the Commonwealth of Virginia, hereby promises to pay to [_____] or registered assigns, the principal sum of [_____] DOLLARS (or so much thereof as shall not have been prepaid) on February 25, 2015 with interest (computed on the basis of a 360-day year of twelve 30-day months) (a) on the unpaid balance hereof at the rate of 4.68% per annum from the date hereof, payable semi-annually, on the 25th day of February and August in each year and at maturity, commencing on August 25, 2005, until the principal hereof shall have become due and payable, and (b) to the extent permitted by law, at a rate per annum from time to time equal to 2% above the stated rate, on any overdue payment of interest and, during the continuance of an Event of Default, on the unpaid balance hereof and on any overdue payment of any Make-Whole Amount, payable semiannually as aforesaid (or, at the option of the registered holder hereof, on demand).

Payments of principal of, interest on and any Make-Whole Amount with respect to this Note are to be made in lawful money of the United States of America at the principal office of Bank of America, N.A. in New York, New York or at such other place as the Company shall have designated by written notice to the holder of this Note as provided in the Note Purchase Agreement referred to below.

This Note is one of a series of Senior Notes (herein called the "Notes") issued pursuant to the Note Purchase Agreement, dated as of February 25, 2005 (as from time to time amended, supplemented or modified, the "Note Purchase Agreement"), between the Company and the respective Purchasers named therein and is entitled to the benefits thereof. Each holder of this Note will be deemed, by its acceptance hereof, to have (i) agreed to the confidentiality provisions set forth in Section 20 of the Note Purchase Agreement and (ii) made the representations set forth in Sections 6.2 and 6.3 of the Note Purchase Agreement, provided, that such holder may (in reliance upon information provided by the Company, which shall not be unreasonably withheld) make a representation to the effect that the purchase by any holder of any Note will not constitute a non-exempt prohibited transaction under section 406(a) of ERISA. Unless otherwise indicated, capitalized terms used in this Note shall have the respective meanings ascribed to such terms in the Note Purchase Agreement.

This Note is a registered Note and, as provided in the Note Purchase Agreement, upon surrender of this Note for registration of transfer, duly endorsed, or accompanied by a written instrument of transfer duly executed, by the registered holder hereof or such holder's attorney duly authorized in writing, a new Note for a like principal amount will be issued to, and

registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company will not be affected by any notice to the contrary.

The Company will make required prepayments of principal on the dates and in the amounts specified in the Note Purchase Agreement. This Note is subject to optional prepayment, in whole or from time to time in part, at the times and on the terms specified in the Note Purchase Agreement, but not otherwise.

Pursuant to the Subsidiary Guaranty Agreement dated as of February 25, 2005 (as amended, restated or otherwise modified from time to time, the "*Subsidiary Guaranty*"), certain Subsidiaries of the Company have absolutely and unconditionally guaranteed payment in full of the principal of, Make-Whole Amount, if any, and interest on this Note and the performance by the Company of its obligations contained in the Note Purchase Agreement all as more fully set forth in said Subsidiary Guaranty.

If an Event of Default, as defined in the Note Purchase Agreement, occurs and is continuing, the principal of this Note may be declared or otherwise become due and payable in the manner, at the price (including any applicable Make-Whole Amount) and with the effect provided in the Note Purchase Agreement.

This Note shall be construed and enforced in accordance with, and the rights of the issuer and holder hereof shall be governed by, the law of the State of New York excluding choice-of-law principles of the law of such State that would require the application of the laws of a jurisdiction other than such State.

OLD DOMINION FREIGHT LINE, INC.

By _____

Name:

Title:

E-1-2

[FORM OF TRANCHE B NOTE]

OLD DOMINION FREIGHT LINE, INC.

4.68% SERIES A SENIOR NOTE, TRANCHE B, DUE FEBRUARY 25, 2015

No. [_____]
\$[_____]

May 25, 2005
PPN 679580 C* 9

FOR VALUE RECEIVED, the undersigned, OLD DOMINION FREIGHT LINE, INC. (herein called the "Company"), a corporation organized and existing under the laws of the Commonwealth of Virginia, hereby promises to pay to [_____] or registered assigns, the principal sum of [_____] DOLLARS (or so much thereof as shall not have been prepaid) on February 25, 2015 with interest (computed on the basis of a 360-day year of twelve 30-day months) (a) on the unpaid balance hereof at the rate of 4.68% per annum from the date hereof, payable semi-annually, on the ____ day of ____ and ____ in each year and at maturity, commencing on ____, 20__, until the principal hereof shall have become due and payable, and (b) to the extent permitted by law, at a rate per annum from time to time equal to 2% above the stated rate, on any overdue payment of interest and, during the continuance of an Event of Default, on the unpaid balance hereof and on any overdue payment of any Make-Whole Amount, payable semiannually as aforesaid (or, at the option of the registered holder hereof, on demand).

Payments of principal of, interest on and any Make-Whole Amount with respect to this Note are to be made in lawful money of the United States of America at the principal office of Bank of America, N.A. in New York, New York or at such other place as the Company shall have designated by written notice to the holder of this Note as provided in the Note Purchase Agreement referred to below.

This Note is one of a series of Senior Notes (herein called the "Notes") issued pursuant to the Note Purchase Agreement, dated as of February 25, 2005 (as from time to time amended, supplemented or modified, the "Note Purchase Agreement"), between the Company and the respective Purchasers named therein and is entitled to the benefits thereof. Each holder of this Note will be deemed, by its acceptance hereof, to have (i) agreed to the confidentiality provisions set forth in Section 20 of the Note Purchase Agreement and (ii) made the representations set forth in Sections 6.2 and 6.3 of the Note Purchase Agreement, provided, that such holder may (in reliance upon information provided by the Company, which shall not be unreasonably withheld) make a representation to the effect that the purchase by any holder of any Note will not constitute a non-exempt prohibited transaction under section 406(a) of ERISA. Unless otherwise indicated, capitalized terms used in this Note shall have the respective meanings ascribed to such terms in the Note Purchase Agreement.

This Note is a registered Note and, as provided in the Note Purchase Agreement, upon surrender of this Note for registration of transfer, duly endorsed, or accompanied by a written instrument of transfer duly executed, by the registered holder hereof or such holder's attorney duly authorized in writing, a new Note for a like principal amount will be issued to, and

registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company will not be affected by any notice to the contrary.

The Company will make required prepayments of principal on the dates and in the amounts specified in the Note Purchase Agreement. This Note is subject to optional prepayment, in whole or from time to time in part, at the times and on the terms specified in the Note Purchase Agreement, but not otherwise.

Pursuant to the Subsidiary Guaranty Agreement dated as of February 25, 2005 (as amended, restated or otherwise modified from time to time, the "*Subsidiary Guaranty*"), certain Subsidiaries of the Company have absolutely and unconditionally guaranteed payment in full of the principal of, Make-Whole Amount, if any, and interest on this Note and the performance by the Company of its obligations contained in the Note Purchase Agreement all as more fully set forth in said Subsidiary Guaranty.

If an Event of Default, as defined in the Note Purchase Agreement, occurs and is continuing, the principal of this Note may be declared or otherwise become due and payable in the manner, at the price (including any applicable Make-Whole Amount) and with the effect provided in the Note Purchase Agreement.

This Note shall be construed and enforced in accordance with, and the rights of the issuer and holder hereof shall be governed by, the law of the State of New York excluding choice-of-law principles of the law of such State that would require the application of the laws of a jurisdiction other than such State.

OLD DOMINION FREIGHT LINE, INC.

By _____

Name:

Title:

E-2-2

FORM OF SUBSIDIARY GUARANTY

4.16-1

**FORM OF OPINION OF GENERAL COUNSEL
TO THE COMPANY**

The closing opinion of Joel McCarty, General Counsel of the Company, which is called for by Section 4.4 of the Note Purchase Agreement, shall be dated the date of Closing and addressed to the Purchasers, shall be satisfactory in scope and form to each Purchaser and shall be to the effect that:

1. The Company has the full corporate power and the corporate authority to conduct the activities in which it is now engaged and is duly licensed or qualified and is in good standing in the Commonwealth of Virginia and as a foreign corporation in each jurisdiction in which the character of the properties owned or leased by it or the nature of the business transacted by it makes such licensing or qualification necessary except in jurisdictions where the failure to be so qualified or licensed would not have a material adverse effect on the business of the Company.

2. Each Subsidiary is a corporation or similar legal entity, duly organized, validly existing and in good standing under the laws of its jurisdiction of organization, and is duly licensed or qualified and is in good standing in each jurisdiction in which the character of the properties owned or leased by it or the nature of the business transacted by it makes such licensing or qualification necessary except in jurisdictions where the failure to be so qualified or licensed would not have a material adverse effect on the business of such Subsidiary. All of the issued and outstanding shares of capital stock or similar equity interests of each such Subsidiary have been duly issued, are fully paid and non-assessable and are owned by the Company, by one or more Subsidiaries, or by the Company and one or more Subsidiaries.

3. The issuance and sale of the Series A Notes, the execution, delivery and performance by the Company of the Note Purchase Agreement, and the execution, delivery and performance by each Subsidiary Guarantor of the Subsidiary Guaranty do not violate any provision of any law or other rule or regulation of any Governmental Authority applicable to the Company or any such Subsidiary Guarantor or conflict with or result in any breach of any of the provisions of or constitute a default under or result in the creation or imposition of any Lien upon any property of the Company or any such Subsidiary Guarantor pursuant to the provisions of the Articles or Certificate of Incorporation or By-laws, or such similar organizational or governing instrument, as the case may be, of the Company or such Subsidiary Guarantor or any agreement or other instrument known to such counsel to which the Company or any such Subsidiary Guarantor is a party or by which the Company or any such Subsidiary Guarantor may be bound.

4. There are no actions, suits or proceedings pending or, to the knowledge of such counsel after due inquiry, threatened against or affecting the Company or any Subsidiary in any court or before any governmental authority or arbitration board or tribunal which, if adversely determined, would have a materially adverse effect on the properties, business, profits or condition, (financial or otherwise) of the Company and its Subsidiaries or the ability of the Company to perform its obligations under the Note Purchase Agreement and the Series A Notes or on the legality, validity or enforceability of the Company's obligations under the Note Purchase Agreement and the Series A Notes. To the knowledge of such counsel, neither the

Company nor any Subsidiary is in default with respect to any court or governmental authority, or arbitration board or tribunal.

The opinion of Joel McCarty, shall cover such other matters relating to the sale of the Notes as each Purchaser may reasonably request. With respect to matters of fact on which such opinion is based, such counsel shall be entitled to rely on appropriate certificates of public officials and other officers of the Company and its Subsidiaries. The opinion of Joel McCarty may be limited to the federal laws of the United States and the laws of the State of North Carolina.

E-4.4(a)-2

**FORM OF OPINION OF SPECIAL COUNSEL
TO THE COMPANY**

The closing opinion of Womble Carlyle Sandridge & Rice, PLLC, special counsel to the Company, which is called for by Section 4.4 of the Note Purchase Agreement, shall be dated the date of Closing and addressed to the Purchasers, shall be satisfactory in scope and form to each Purchaser and shall be to the effect that:

1. The Company is a corporation, duly incorporated, validly existing and in good standing under the laws of its jurisdiction of incorporation and has the corporate power and authority to execute and perform the Note Purchase Agreement and to issue the Notes.

2. The Subsidiary is a corporation or similar legal entity, duly organized, validly existing and in good standing under the laws of its jurisdiction of organization and has the corporate power and authority to execute, deliver and perform the Subsidiary Guaranty.

3. The Note Purchase Agreement has been duly authorized by all necessary corporate action on the part of the Company, has been duly executed and delivered by the Company and constitutes the legal, valid and binding contract of the Company enforceable against the Company in accordance with its terms, subject to bankruptcy, insolvency, fraudulent conveyance and similar laws affecting creditors' rights generally, and general principles of equity (regardless of whether the application of such principles is considered in a proceeding in equity or at law).

4. The Subsidiary Guaranty has been duly authorized by all necessary corporate action on the part of the Subsidiary, has been duly executed and delivered by the Subsidiary and constitutes the legal, valid and binding contract of the Subsidiary enforceable against the Subsidiary in accordance with its terms, subject to bankruptcy, insolvency, fraudulent conveyance and similar laws affecting creditors' rights generally, and general principles of equity (regardless of whether the application of such principles is considered in a proceeding in equity or at law).

5. The Series A Notes have been duly authorized by all necessary corporate action on the part of the Company, have been duly executed and delivered by the Company and constitute the legal, valid and binding contract of the Company enforceable against the Company in accordance with their terms, subject to bankruptcy, insolvency, fraudulent conveyance and similar laws affecting creditors' rights generally, and general principles of equity (regardless of whether the application of such principles is considered in a proceeding in equity or at law).

6. The Subsidiary Guaranty has been duly authorized by all necessary corporate or other organizational action on the part of each Subsidiary Guarantor, has been duly executed and delivered by each Subsidiary Guarantor and constitutes the legal, valid and binding contract of each such Subsidiary Guarantor enforceable against such Subsidiary Guarantor in accordance with its terms, subject to bankruptcy, insolvency, fraudulent conveyance and similar laws affecting creditors' rights generally, and general principles of equity (regardless of whether the application of such principles is considered in a proceeding in equity or at law).

7. No approval, consent or withholding of objection on the part of, or filing, registration or qualification with, any governmental body, Federal or state, is necessary in connection with the execution and delivery of the Note Purchase Agreement, the Series A Notes or the Subsidiary Guaranty.

8. The issuance, sale and delivery of the Series A Notes and the execution and delivery of the Subsidiary Guaranty by the Subsidiary Guarantors under the circumstances contemplated by the Note Purchase Agreement and the Subsidiary Guaranty do not, under existing law, require the registration of the Series A Notes or the Subsidiary Guaranty under the Securities Act of 1933, as amended, or the qualification of an indenture under the Trust Indenture Act of 1939, as amended.

9. Neither the issuance of the Series A Notes nor the application of the proceeds of the sale of the Series A Notes will violate or result in a violation of Section 7 of the Securities Exchange Act of 1934, as amended, or any regulation issued pursuant thereto, including, without limitation, Regulation T, U or X of the Board of Governors of the Federal Reserve System.

10. The Company is not an “investment company” or a company “controlled” by an “investment company,” within the meaning of the Investment Company Act of 1940, as amended.

The opinion of Womble Carlyle Sandridge & Rice, PLLC, shall cover such other matters relating to the sale of the Notes as each Purchaser may reasonably request. With respect to matters of fact on which such opinion is based, such counsel shall be entitled to rely on appropriate certificates of public officials and other officers of the Company and its Subsidiaries. The opinion of Womble Carlyle Sandridge & Rice, PLLC may be limited to the federal laws of the United States and the laws of the State of North Carolina.

**FORM OF OPINION OF SPECIAL COUNSEL
TO THE PURCHASERS**

The closing opinion of Chapman and Cutler LLP, special counsel to the Purchasers, called for by Section 4.4 of the Note Purchase Agreement, shall be dated the date of Closing and addressed to each Purchaser, shall be satisfactory in form and substance to each Purchaser and shall be to the effect that:

1. The Company is a corporation, validly existing and in good standing under the laws of its jurisdiction of incorporation and has the corporate power and the corporate authority to execute and deliver the Note Purchase Agreement and to issue the Series A Notes.

2. The Subsidiary is a corporation, validly existing and in good standing under the laws of its jurisdiction of incorporation and has the corporate power and the corporate authority to execute and deliver the Subsidiary Guaranty.

3. The Note Purchase Agreement has been duly authorized by all necessary corporate action on the part of the Company, has been duly executed and delivered by the Company and constitutes the legal, valid and binding contract of the Company enforceable in accordance with its terms, subject to bankruptcy, insolvency, fraudulent conveyance and similar laws affecting creditors' rights generally, and general principles of equity (regardless of whether the application of such principles is considered in a proceeding in equity or at law).

4. The Subsidiary Guaranty has been duly authorized by all necessary corporate action on the part of the Subsidiary, has been duly executed and delivered by the Subsidiary and constitutes the legal, valid and binding contract of the Subsidiary enforceable in accordance with its terms, subject to bankruptcy, insolvency, fraudulent conveyance and similar laws affecting creditors' rights generally, and general principles of equity (regardless of whether the application of such principles is considered in a proceeding in equity or at law).

5. The Series A Notes have been duly authorized by all necessary corporate action on the part of the Company, and the Notes being delivered on the date hereof have been duly executed and delivered by the Company and constitute the legal, valid and binding obligations of the Company enforceable in accordance with their terms, subject to bankruptcy, insolvency, fraudulent conveyance and similar laws affecting creditors' rights generally, and general principles of equity (regardless of whether the application of such principles is considered in a proceeding in equity or at law).

6. The issuance, sale and delivery of the Series A Notes and the execution and delivery of the Subsidiary Guaranty Agreement under the circumstances contemplated by the Note Purchase Agreement and the Subsidiary Guaranty do not, under existing law, require the registration of the Series A Notes or the Subsidiary Guaranty under the Securities Act of 1933, as amended, or the qualification of an indenture under the Trust Indenture Act of 1939, as amended.

With respect to matters of fact upon which such opinion is based, Chapman and Cutler LLP may rely on appropriate certificates of public officials and officers of the Company and upon representations of the Company and the Purchasers delivered in connection with the issuance and sale of the Series A Notes.

In rendering the opinion set forth in paragraph 1 above, Chapman and Cutler LLP may rely, as to matters referred to in paragraph 1, solely upon an examination of the Articles of Incorporation certified by, and a certificate of good standing of the Company from, the Secretary of State of the Commonwealth of Virginia, the Bylaws of the Company and the general business corporation law of the Commonwealth of Virginia. The opinion of Chapman and Cutler LLP is limited to the laws of the State of New York, the general business corporation law of the Commonwealth of Virginia and the Federal laws of the United States.

E-4.4(c)-2

OLD DOMINION FREIGHT LINE, INC.

[NUMBER] SUPPLEMENT TO NOTE PURCHASE AGREEMENT

Dated as of _____

Re: \$ _____ % Series _____ Senior Notes

DUE _____

E-4.4(c)-2

OLD DOMINION FREIGHT LINE, INC.
[STREET ADDRESS]
[CITY, STATE ZIP]

Dated as of
_____, 20__

To the Purchaser(s) named in
Schedule A hereto

Ladies and Gentlemen:

This [Number] Supplement to Note Purchase Agreement (the "*Supplement*") is between OLD DOMINION FREIGHT LINE, INC., a Virginia corporation (the "*Company*"), and the institutional investors named on Schedule A attached hereto (the "*Purchasers*").

Reference is hereby made to that certain Note Purchase Agreement dated as of February 25, 2005 (the "*Note Purchase Agreement*") between the Company and the purchasers listed on Schedule A thereto. All capitalized terms not otherwise defined herein shall have the same meaning as specified in the Note Purchase Agreement. Reference is further made to Section 4.14 of the Note Purchase Agreement which requires that, prior to the delivery of any Additional Notes, the Company and each Additional Purchaser shall execute and deliver a Supplement.

The Company hereby agrees with the Purchaser(s) as follows:

1. The Company has authorized the issue and sale of \$_____ aggregate principal amount of its _____% Series _____ Senior Notes due _____, _____ (the "*Series _____ Notes*"). The Series _____ Notes, together with the Series A Notes [and the Series _____ Notes] initially issued pursuant to the Note Purchase Agreement [and the _____ Supplement] and each series of Additional Notes which may from time to time hereafter be issued pursuant to the provisions of Section 2.2 of the Note Purchase Agreement, are collectively referred to as the "*Notes*" (such term shall also include any such notes issued in substitution therefor pursuant to Section 13 of the Note Purchase Agreement). The Series _____ Notes shall be substantially in the form set out in Exhibit 1 hereto with such changes therefrom, if any, as may be approved by the Purchaser(s) and the Company.

2. Subject to the terms and conditions hereof and as set forth in the Note Purchase Agreement and on the basis of the representations and warranties hereinafter set forth, the Company agrees to issue and sell to each Purchaser, and each Purchaser agrees to purchase from the Company, Series _____ Notes in the principal amount set forth opposite such Purchaser's name on Schedule A hereto at a price of 100% of the principal amount thereof on the closing date hereinafter mentioned.

3. The sale and purchase of the Series _____ Notes to be purchased by each Purchaser shall occur at the offices of [_____] at 10:00 A.M. Chicago time, at a closing (the "Closing") on _____, _____ or on such other Business Day thereafter on or prior to _____, _____ as may be agreed upon by the Company and the Purchasers. At the Closing, the Company will deliver to each Purchaser the Series _____ Notes to be purchased by such Purchaser in the form of a single Series _____ Note (or such greater number of Series _____ Notes in denominations of at least \$100,000 as such Purchaser may request) dated the date of the Closing and registered in such Purchaser's name (or in the name of such Purchaser's nominee), against delivery by such Purchaser to the Company or its order of immediately available funds in the amount of the purchase price therefor by wire transfer of immediately available funds for the account of the Company to account number [_____] at _____ Bank, [*Insert Bank address, ABA number for wire transfers, and any other relevant wire transfer information*]. If, at the Closing, the Company shall fail to tender such Series _____ Notes to any Purchaser as provided above in this Section 3, or any of the conditions specified in Section 4 shall not have been fulfilled to any Purchaser's satisfaction, such Purchaser shall, at such Purchaser's election, be relieved of all further obligations under this Agreement, without thereby waiving any rights such Purchaser may have by reason of such failure or such nonfulfillment.

4. The obligation of each Purchaser to purchase and pay for the Series _____ Notes to be sold to such Purchaser at the Closing is subject to the fulfillment to such Purchaser's satisfaction, prior to the Closing, of the conditions set forth in Section 4 of the Note Purchase Agreement with respect to the Series _____ Notes to be purchased at the Closing, and to the following additional conditions:

(a) Except as supplemented, amended or superceded by the representations and warranties set forth in Exhibit A hereto, each of the representations and warranties of the Company set forth in Section 5 of the Note Purchase Agreement shall be correct as of the date of Closing and the Company shall have delivered to each Purchaser an Officer's Certificate, dated the date of the Closing certifying that such condition has been fulfilled.

(b) Contemporaneously with the Closing, the Company shall sell to each Purchaser, and each Purchaser shall purchase, the Series _____ Notes to be purchased by such Purchaser at the Closing as specified in Schedule A.

5. [Here insert special provisions for Series _____ Notes including prepayment provisions applicable to Series _____ Notes (including Make-Whole Amount) and closing conditions applicable to Series _____ Notes].

6. Each Purchaser represents and warrants that the representations and warranties set forth in Section 6 of the Note Purchase Agreement are true and correct on the date hereof with respect to the purchase of the Series _____ Notes by such Purchaser.

7. The Company and each Purchaser agree to be bound by and comply with the terms and provisions of the Note Purchase Agreement as fully and completely as if such Purchaser were an original signatory to the Note Purchase Agreement.

The execution hereof shall constitute a contract between the Company and the Purchaser(s) for the uses and purposes hereinabove set forth, and this agreement may be executed in any number of counterparts, each executed counterpart constituting an original but all together only one agreement.

OLD DOMINION FREIGHT LINE, INC.

By _____

Name: _____

Title: _____

Accepted as of _____, _____

[VARIATION]

By _____

Name: _____

Title: _____

INFORMATION RELATING TO PURCHASERS

NAME AND ADDRESS OF PURCHASER

**PRINCIPAL
AMOUNT OF SERIES
____ NOTES TO
BE PURCHASED**

[NAME OF PURCHASER]

\$

- (1) All payments by wire transfer of immediately available funds to:
with sufficient information to identify the source and application of such funds.
- (2) All notices of payments and written confirmations of such wire transfers:
- (3) All other communications:

SUPPLEMENTAL REPRESENTATIONS

The Company represents and warrants to each Purchaser that except as hereinafter set forth in this Exhibit A, each of the representations and warranties set forth in Section 5 of the Note Purchase Agreement is true and correct in all material respects as of the date hereof with respect to the Series _____ Notes with the same force and effect as if each reference to “Series A Notes” set forth therein was modified to refer to the “Series _____ Notes” and each reference to “this Agreement” therein was modified to refer to the Note Purchase Agreement as supplemented by the _____ Supplement. The Section references hereinafter set forth correspond to the similar sections of the Note Purchase Agreement which are supplemented hereby:

Section 5.3. Disclosure. The Company, through its agent, Banc of America Securities LLC has delivered to each Purchaser a copy of a Private Placement Memorandum, dated _____ (the “Memorandum”), relating to the transactions contemplated by the _____ Supplement. The Memorandum fairly describes, in all material respects, the general nature of the business and principal properties of the Company and its Subsidiaries. The Note Purchase Agreement, the Memorandum, the documents, certificates or other writings delivered to each Purchaser by or on behalf of the Company in connection with the transactions contemplated by the Note Purchase Agreement and the _____ Supplement and the financial statements listed in Schedule 5.5 to the _____ Supplement, taken as a whole, do not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein not misleading in light of the circumstances under which they were made. Since _____, there has been no change in the financial condition, operations, business, properties or prospects of the Company or any Subsidiary except changes that individually or in the aggregate would not reasonably be expected to have a Material Adverse Effect. There is no fact known to the Company that would reasonably be expected to have a Material Adverse Effect that has not been set forth herein or in the Memorandum or in the other documents, certificates and other writings delivered to each Purchaser by or on behalf of the Company specifically for use in connection with the transactions contemplated hereby.

Section 5.4. Organization and Ownership of Shares of Subsidiaries. (a) Schedule 5.4 to the _____ Supplement contains (except as noted therein) complete and correct lists of (i) the Company’s Subsidiaries, and showing, as to each Subsidiary, the correct name thereof, the jurisdiction of its organization, and the percentage of shares of each class of its capital stock or similar equity interests outstanding owned by the Company and each other Subsidiary, and all other Investments of the Company and its Subsidiaries, (ii) the Company’s Affiliates, other than Subsidiaries, and (iii) the Company’s directors and senior officers.

Section 5.13. Private Offering by the Company. Neither the Company nor anyone acting on its behalf has offered the Series _____ Notes or any similar securities for sale to, or solicited any offer to buy any of the same from, or otherwise approached or negotiated in respect thereof with, any Person other than the Purchasers and not more than [_____] other Institutional Investors, each of which has been offered the Series _____ Notes at a private sale for investment. Neither the Company nor anyone acting on its behalf has taken, or will take, any action that would

subject the issuance or sale of the Notes to the registration requirements of Section 5 of the Securities Act.

Section 5.14. Use of Proceeds; Margin Regulations. The Company will apply the proceeds of the sale of the Series _____ Notes to _____ and for general corporate purposes. No part of the proceeds from the sale of the Series _____ Notes pursuant to the _____ Supplement will be used, directly or indirectly, for the purpose of buying or carrying any margin stock within the meaning of Regulation U of the Board of Governors of the Federal Reserve System (12 CFR 221), or for the purpose of buying or carrying or trading in any securities under such circumstances as to involve the Company in a violation of Regulation X of said Board (12 CFR 224) or to involve any broker or dealer in a violation of Regulation T of said Board (12 CFR 220). Margin stock does not constitute more than 2% of the value of the consolidated assets of the Company and its Subsidiaries and the Company does not have any present intention that margin stock will constitute more than 2% of the value of such assets. As used in this Section, the terms “margin stock” and “purpose of buying or carrying” shall have the meanings assigned to them in said Regulation U.

Section 5.15. Existing Debt; Future Liens. (a) Schedule 5.15 to the _____ Supplement sets forth a complete and correct list of all outstanding Debt of the Company and its Subsidiaries as of _____, since which date there has been no Material change in the amounts, interest rates, sinking funds, installment payments or maturities of the Debt of the Company or its Subsidiaries. Neither the Company nor any Subsidiary is in default and no waiver of default is currently in effect, in the payment of any principal or interest on any Debt of the Company or such Subsidiary and no event or condition exists with respect to any Debt of the Company or any Subsidiary that would permit (or that with notice or the lapse of time, or both, would permit) one or more Persons to cause such Debt to become due and payable before its stated maturity or before its regularly scheduled dates of payment.

[Add any additional Sections as appropriate at the time the Series _____ Notes are issued]

[FORM OF SERIES _____ NOTE]

OLD DOMINION FREIGHT LINE, INC.

_____% SERIES _____ SENIOR NOTE DUE _____

No. [_____]
\$[_____]

[Date]
PPN [_____]

FOR VALUE RECEIVED, the undersigned, Old Dominion Freight Line, Inc., a Virginia corporation (herein called the "Company"), a corporation organized and existing under the laws of the State of _____, hereby promises to pay to [_____] or registered assigns, the principal sum of [_____] DOLLARS (or so much thereof as shall not have been prepaid) on _____, with interest (computed on the basis of a 360-day year of twelve 30-day months) (a) on the unpaid balance hereof at the rate of ___% per annum from the date hereof, payable semiannually, on the _____ day of _____ and _____ in each year, commencing on the first of such dates after the date hereof, until the principal hereof shall have become due and payable, and (b) to the extent permitted by law, at a rate per annum from time to time equal to [2% above the stated rate], on any overdue payment of interest and, during the continuance of an Event of Default, on the unpaid balance hereof and on any overdue payment of any Make-Whole Amount, payable [semiannually] as aforesaid (or, at the option of the registered holder hereof, on demand).

Payments of principal of, interest on and any Make-Whole Amount with respect to this Note are to be made in lawful money of the United States of America at _____, in _____, or at such other place as the Company shall have designated by written notice to the holder of this Note as provided in the Note Purchase Agreement referred to below.

This Note is one of a series of Senior Notes (the "Notes") issued pursuant to a Supplement to the Note Purchase Agreement dated as of February __, 2005 (as from time to time amended, supplemented or modified, the "Note Purchase Agreement"), between the Company, the Purchasers named therein and Additional Purchasers of Notes from time to time issued pursuant to any Supplement to the Note Purchase Agreement. This Note and the holder hereof are entitled equally and ratably with the holders of all other Notes of all series from time to time outstanding under the Note Purchase Agreement to all the benefits provided for thereby or referred to therein. Each holder of this Note will be deemed, by its acceptance hereof, to have (i) agreed to the confidentiality provisions set forth in Section 20 of the Note Purchase Agreement and (ii) made the representations set forth in Sections 6.2 and 6.3 of the Note Purchase Agreement, provided that such holder may (in reliance upon information provided by the Company, which shall not be unreasonably withheld) make a representation to the effect that the purchase by such holder of any Note will not constitute a non-exempt prohibited transaction

under Section 406(a) of ERISA. Unless otherwise indicated, capitalized terms used in this Note shall have the respective meanings ascribed to such terms in the Note Purchase Agreement.

This Note is registered with the Company and, as provided in the Note Purchase Agreement, upon surrender of this Note for registration of transfer, duly endorsed, or accompanied by a written instrument of transfer duly executed, by the registered holder hereof or such holder's attorney duly authorized in writing, a new Note of the same series for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company will not be affected by any notice to the contrary.

[The Company will make required prepayments of principal on the dates and in the amounts specified in the Note Purchase Agreement.] [This Note is not subject to regularly scheduled prepayments of principal.] This Note is [also] subject to optional prepayment, in whole or from time to time in part, at the times and on the terms specified in the Note Purchase Agreement, but not otherwise.

Pursuant to the Subsidiary Guaranty Agreement dated as of February __, 2005 (as amended or modified from time to time, the "*Subsidiary Guaranty*"), certain Subsidiaries of the Company have absolutely and unconditionally guaranteed payment in full of the principal of, Make-Whole Amount, if any, and interest on this Note and the performance by the Company of its obligations contained in the Note Purchase Agreement all as more fully set forth in said Subsidiary Guaranty.

If an Event of Default, as defined in the Note Purchase Agreement, occurs and is continuing, the principal of this Note may be declared or otherwise become due and payable in the manner, at the price (including any applicable Make-Whole Amount) and with the effect provided in the Note Purchase Agreement.

This Note shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the law of the State of New York excluding choice-of-law principles of the law of such State that would require the application of the laws of a jurisdiction other than such State.

OLD DOMINION FREIGHT LINE, INC.

By _____

Name:

Title:

SUBSIDIARY GUARANTY AGREEMENT

Dated as of February 25, 2005

from

THE SUBSIDIARY GUARANTORS NAMED HEREIN

for the benefit of

THE HOLDERS OF THE NOTES

RE:

\$50,000,000 4.68% Series A Senior Notes, Tranche A, due February 25, 2015

\$25,000,000 4.68% Series A Senior Notes, Tranche B, due February 25, 2015

OF

OLD DOMINION FREIGHT LINE, INC.

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SUBSIDIARY GUARANTY AGREEMENT, dated as of February 25, 2005 (the "*Guaranty*"), from each of Odis, Inc., and such Subsidiaries as shall become parties hereto in accordance with Section 13 hereof (each a "*Subsidiary Guarantor*" and collectively the "*Subsidiary Guarantors*"), for the benefit of the holders from time to time of the Notes (as defined below) (the "*Holder*s"). Capitalized terms used herein are defined in Section 14 hereof or the Note Purchase Agreement referred to below.

WHEREAS, OLD DOMINION FREIGHT LINE, INC., a Virginia corporation (the "*Company*") will authorize the issue and sale of (i) \$50,000,000 aggregate principal amount of the 4.68% Series A Senior Notes, Tranche A, due February 25, 2015 and (ii) \$25,000,000 aggregate principal amount of the 4.68% Series A Senior Notes, Tranche B, due February 25, 2015 (collectively, the "*Series A Notes*"), pursuant to a Note Purchase Agreement, dated as of the date hereof (as amended, modified or supplemented from time to time, the "*Note Purchase Agreement*") among the Company and the purchasers named therein.

WHEREAS, the Company is authorized to issue Additional Notes (as such term is defined in the Note Purchase Agreement) of one or more separate series from time to time in an aggregate principal amount not to exceed \$300,000,000 pursuant to Section 2.2 of the Note Purchase Agreement.

WHEREAS, the Additional Notes together with the Series A Notes are collectively referred to as the "*Notes*".

WHEREAS, each of the Subsidiary Guarantors is a Subsidiary of the Company.

WHEREAS, the Company have agreed that their Subsidiaries will guarantee their respective obligations under the Notes and the Note Purchase Agreement.

WHEREAS, the Subsidiary Guarantors each acknowledge that they will derive substantial benefits from the issuance of the Notes.

NOW, THEREFORE, in consideration of the premises and to induce the Holders to purchase the Notes, each of the Subsidiary Guarantors, intending to be legally bound, hereby agrees for the benefit of the Holders, as follows:

SECTION 1. GUARANTY.

Each Subsidiary Guarantor with all other Subsidiary Guarantors, hereby absolutely, unconditionally and irrevocably guarantees, jointly and severally, as a primary obligor and not merely as a surety, to each Holder and its successors and assigns, the full and punctual payment and performance when due, whether at stated maturity, by acceleration or otherwise, of the principal of and Make-Whole Amount, and interest on (including, without limitation, interest, whether or not an allowable claim, accruing after the date of filing of any petition in bankruptcy, or the commencement of any bankruptcy, insolvency or similar proceeding relating to the

Company) the Notes and all other amounts under the Note Purchase Agreement and all other obligations, agreements and covenants of the Company now or hereafter existing under the Note Purchase Agreement whether for principal, Make-Whole Amount, interest (including interest accruing or becoming owing both prior to and subsequent to the commencement of any proceeding against or with respect to the Company under any chapter of the Bankruptcy Code), indemnification payments, expenses (including reasonable attorneys' fees and expenses) or otherwise, and all reasonable costs and expenses, if any, incurred by any Holder in connection with enforcing any rights under this Guaranty (all such obligations being the "*Guaranteed Obligations*"), and agrees to pay any and all reasonable expenses incurred by each Holder in enforcing this Guaranty; *provided* that, notwithstanding anything contained herein or in the Note Purchase Agreement to the contrary, the maximum liability of each Subsidiary Guarantor hereunder and under the Note Purchase Agreement shall in no event exceed such Guarantor's Maximum Guaranteed Amount, and *provided further*, each Subsidiary Guarantor shall be unconditionally required to pay all amounts demanded of it hereunder prior to any determination of such Maximum Guaranteed Amount and the recipient of such payment, if so required by a final non-appealable order of a court of competent jurisdiction, shall then be liable for the refund of any excess amounts. If any such rebate or refund is ever required, all other Subsidiary Guarantors (and the Company) shall be fully liable for the repayment thereof to the maximum extent allowed by applicable law. This Guaranty is an absolute, unconditional, present and continuing guaranty of payment and not of collectibility and is in no way conditioned upon any attempt to collect from the Company or any other action, occurrence or circumstance whatsoever. Each Subsidiary Guarantor agrees that the Guaranteed Obligations may at any time and from time to time exceed the Maximum Guaranteed Amount of such Subsidiary Guarantor without impairing this Guaranty or affecting the rights and remedies of the Holders hereunder.

Notwithstanding any stay, injunction or other prohibition preventing such action against the Company, if for any reason whatsoever the Company shall fail or be unable duly, punctually and fully to perform and (in the case of the payment of Guaranteed Obligations) pay such amounts as and when the same shall become due and (in the case of the payment of Guaranteed Obligations) payable or to perform or comply with any other Guaranteed Obligation, whether or not such failure or inability shall constitute an "Event of Default" under the Note Purchase Agreement or the Notes, each Subsidiary Guarantor will forthwith (in the case of the payment of Guaranteed Obligations) pay or cause to be paid such amounts to the Holders, in lawful money of the United States of America, at the place specified in the Note Purchase Agreement, or perform or comply with such Guaranteed Obligations or cause such Guaranteed Obligations to be performed or complied with, (in the case of the payment of Guaranteed Obligations) together with interest (in the amounts and to the extent required under such Notes) on any amount due and owing.

SECTION 2. REPRESENTATIONS AND WARRANTIES.

Each Subsidiary Guarantor hereby represents and warrants as follows:

(a) All representations and warranties contained in the Note Purchase Agreement that relate to such Subsidiary Guarantor are true and correct in all respects.

(b) Such Subsidiary Guarantor acknowledges that, any default in the due observance or performance by such Subsidiary Guarantor of any covenant, condition or agreement contained herein (if, after the running of any applicable notice and opportunity to cure periods provided in the Note Purchase Agreement, such default or event of default remains uncured) shall constitute an Event of Default.

(c) There are no conditions precedent to the effectiveness of this Guaranty that have not been satisfied or expressly waived.

(d) Such Subsidiary Guarantor has, independently and without reliance upon the Holders and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Guaranty. Such Subsidiary Guarantor has investigated fully the benefits and advantages which will be derived by it from execution of this Guaranty, and the Board of Directors of such Subsidiary Guarantor has decided that a direct and/or an indirect benefit will accrue to such Subsidiary Guarantor by reason of the execution of this Guaranty.

(e) (i) This Guaranty is not given with actual intent to hinder, delay or defraud any Person to which such Subsidiary Guarantor is or will become, on or after the date hereof, indebted; (ii) such Subsidiary Guarantor has received at least a reasonably equivalent value in exchange for the giving of this Guaranty; (iii) such Subsidiary Guarantor is not insolvent on the date hereof and will not become insolvent as a result of the giving of this Guaranty; (iv) such Subsidiary Guarantor is not engaged in a business or transaction, nor is about to engage in a business or transaction, for which any property remaining with such Subsidiary Guarantor constitutes an unreasonably small amount of capital; and (v) such Subsidiary Guarantor does not intend to incur debts that will be beyond such Subsidiary Guarantor's ability to pay as such debts mature.

(f) Each Subsidiary Guarantor is a corporation or other legal entity duly organized and validly existing under the laws of its state of organization, and has the requisite power, authority and legal right under the laws of its state of organization to conduct its business as presently conducted and to execute, deliver and perform its obligations under this Guaranty.

(g) The execution, delivery and performance of this Guaranty have been duly authorized by all necessary corporate action on the part of each Subsidiary Guarantor, and does not require any consent or approval of, or the giving of notice to, or the taking of any other action in respect of, any stockholder or trustee or holder of any indebtedness or obligations of such Subsidiary Guarantor. This Guaranty constitutes a legal, valid and binding obligation of each Subsidiary Guarantor, enforceable against such Subsidiary Guarantor in accordance with its terms, except that such enforceability is subject to any limitations arising from bankruptcy, insolvency, liquidation, moratorium, reorganization and other similar laws of general application relating to or affecting the rights of creditors or pledgees and to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(h) The execution, delivery and performance of this Guaranty does not and will not conflict with or result in any violation of or default under any provision of the Articles of

Incorporation or by-laws or partnership agreement, as the case may be, of any Subsidiary Guarantor, or any indenture, mortgage, deed of trust, instrument, law, rule or regulation binding on any Subsidiary Guarantor or to which a Subsidiary Guarantor is a party.

(i) The execution, delivery and performance of this Guaranty does not and will not result in violation of any judgment or order applicable to any Subsidiary Guarantor or result in the creation or imposition of any Lien on any of the properties or revenues of any Subsidiary Guarantor pursuant to any requirement of law or any indenture, mortgage, deed of trust or other instrument to which such Subsidiary Guarantor is a party.

(j) The execution, delivery and performance of this Guaranty do not and will not conflict with and do not and will not require any consent, approval or authorization of, or registration or filing with, any governmental authority or agency of the state of organization of any Subsidiary Guarantor or of the United States or any State.

(k) There are no pending or, to the knowledge of any Subsidiary Guarantor, threatened actions or proceedings against or affecting such Subsidiary Guarantor or any of its properties by or before any court or administrative agency or arbiter that would adversely affect the ability of such Subsidiary Guarantor to perform its obligations hereunder or call into question the validity or enforceability of this Guaranty.

(l) Each Subsidiary Guarantor's obligations under this Guaranty are at least *pari passu* in right of payment with all other unsecured claims against the general creditors of such Subsidiary Guarantor.

(m) Each Subsidiary Guarantor has validly and irrevocably submitted to the jurisdiction of the Supreme Court of the State of New York, New York County, and the United States District Court for the Southern District of New York.

(n) The choice of the laws of the State of New York to govern this Guaranty is valid and binding.

(o) No Subsidiary Guarantor is in breach of or default under or with respect to any instrument, document or agreement binding upon such Subsidiary Guarantor which breach or default is reasonably probable to have a Material Adverse Effect or result in the creation of a Lien on any property of such Subsidiary Guarantor other than Liens permitted under Section 10.4 of the Note Purchase Agreement. Each Subsidiary Guarantor is in compliance with all applicable requirements of law except such non-compliance as would not have a Material Adverse Effect.

(p) The execution, delivery and performance by each Subsidiary Guarantor of this Guaranty will not render such Subsidiary Guarantor insolvent, nor is it being made in contemplation of such Subsidiary Guarantor's insolvency, and the Subsidiary Guarantor does not have an unreasonably small capital.

SECTION 3. SUBSIDIARY GUARANTOR'S OBLIGATIONS UNCONDITIONAL.

(a) This Guaranty shall constitute a guarantee of payment, performance and compliance and not of collection, and each Subsidiary Guarantor specifically agrees that it shall not be necessary, and that such Subsidiary Guarantor shall not be entitled to require, before or as a condition of enforcing the liability of such Subsidiary Guarantor under this Guaranty or requiring payment or performance of the Guaranteed Obligations by any Subsidiary Guarantor hereunder, or at any time thereafter, that any Holder: (a) file suit or proceed to obtain or assert a claim for personal judgment against the Company or any other Person that may be liable for or with respect to any Guaranteed Obligation; (b) make any other effort to obtain payment or performance of any Guaranteed Obligation from the Company or any other Person that may be liable for or with respect to such Guaranteed Obligation, except for the making of the demands, when appropriate, described in Section 1; (c) foreclose against, or seek to realize upon security now or hereafter existing for such Guaranteed Obligations; (d) except to the extent set forth in Section 1, exercise or assert any other right or remedy to which such Holder is or may be entitled in connection with any Guaranteed Obligation or any security or other guaranty therefor; or (e) assert or file any claim against the assets of the Company or any other Person liable for any Guaranteed Obligation. Each Subsidiary Guarantor agrees that this Guaranty shall be continuing, and that the Guaranteed Obligations will be paid and performed in accordance with their terms and the terms of this Guaranty, and are the primary, absolute and unconditional obligations of such Subsidiary Guarantor, irrespective of the value, genuineness, validity, legality, regularity or enforceability or lack thereof of any part of the Guaranteed Obligations or any agreement or instrument relating to the Guaranteed Obligations or this Guaranty, or the existence of any indemnities with respect to the existence of any other guarantee of or security for any of the Guaranteed Obligations, or any substitution, release or exchange of any other guarantee of or security for any of the Guaranteed Obligations, and, to the fullest extent permitted by applicable law, irrespective of any other circumstance whatsoever that might otherwise constitute a legal or equitable discharge or defense of a surety or guarantor, it being the intent of this Section 3 that the obligations of each Subsidiary Guarantor hereunder shall be irrevocable, primary, absolute and unconditional under any and all circumstances.

(b) Each Subsidiary Guarantor hereby expressly waives notice of acceptance of and reliance upon this Guaranty, diligence, presentment, demand of payment or performance, protest and all other notices (except as otherwise provided for in Section 1) whatsoever, any requirement that the Holders exhaust any right, power or remedy or proceed against the Company or against any other Person under any other guarantee of, or security for, or any other agreement, regarding any of the Guaranteed Obligations. Each Subsidiary Guarantor further agrees that, subject solely to the requirement of making demands under Section 1, the occurrence of any event or other circumstance that might otherwise vary the risk of the Company or such Subsidiary Guarantor or constitute a defense (legal or equitable) available to, or a discharge of, or a counterclaim or right of set-off by, the Company or such Subsidiary Guarantor (other than the full and indefeasible due payment and performance of the Guaranteed Obligations), shall not affect the liability of the Subsidiary Guarantor hereunder.

(c) The obligations of each Subsidiary Guarantor under this Guaranty are not subject to any counterclaim, set-off, deduction, diminution, abatement, recoupment, suspension,

deferment or defense based upon any claim such Subsidiary Guarantor or any other Person may have against the Company, any Holder or any other Person, and shall remain in full force and effect without regard to, and shall not be released, discharged or in any way affected by, any circumstances or condition whatsoever (whether or not such Subsidiary Guarantor or the Company shall have any knowledge or notice thereof), including:

(i) any renewal, extension, modification, increase, decrease, alteration or rearrangement of all or any part of the Guaranteed Obligations or any instrument executed in connection therewith, or any contract or understanding with the Company, the Holders, or any of them, or any other Person, pertaining to the Guaranteed Obligations;

(ii) any adjustment, indulgence, forbearance or compromise that might be granted or given by any Holder to the Company or any other Person liable on the Guaranteed Obligations, or the failure of any Holder to assert any claim or demand or to exercise any right or remedy against the Company or any other Person under the provisions of the Note Purchase Agreement, the Notes or otherwise; or any rescission, waiver, amendment or modification of, or any release from any of the terms or provisions of, the Note Purchase Agreement, the Notes, any guarantee or any other agreement;

(iii) the insolvency, bankruptcy arrangement, adjustment, composition, liquidation, disability, dissolution or lack of power of the Company or any other Person at any time liable for the payment of all or part of the Guaranteed Obligations; or any dissolution of the Company or any other such Person, or any change, restructuring or termination of the partnership structure or existence of the Company or any other such Person, or any sale, lease or transfer of any or all of the assets of the Company or any other such Person, or any change in the shareholders, partners, or members of the Company or any other such Person; or any default, failure or delay, willful or otherwise, in the performance of the Guaranteed Obligations;

(iv) the invalidity, illegality or unenforceability of all or any part of the Guaranteed Obligations, or any document or agreement executed in connection with the Guaranteed Obligations, for any reason whatsoever, including the fact that the Guaranteed Obligations, or any part thereof, exceed the amount permitted by law, the act of creating the Guaranteed Obligations or any part is *ultra vires*, the officers or representatives executing the documents or otherwise creating the Guaranteed Obligations acted in excess of their authority, the Guaranteed Obligations violate applicable usury laws, the Company or any other Person has valid defenses, claims or offsets (whether at law, in equity or by agreement) which render the Guaranteed Obligations wholly or partially uncollectible from the Company or any other Person, the creation, performance or repayment of the Guaranteed Obligations (or the execution, delivery and performance of any document or instrument representing part of the Guaranteed Obligations or executed in connection with the Guaranteed Obligations or given to secure the repayment of the Guaranteed Obligations) is illegal, uncollectible, legally impossible or unenforceable, or the documents or instruments pertaining to the

Guaranteed Obligations have been forged or otherwise are irregular or not genuine or authentic;

(v) any full or partial release of the liability of the Company on the Guaranteed Obligations or any part thereof, of any co-guarantors, or of any other Person now or hereafter liable, whether directly or indirectly, jointly, severally, or jointly and severally, to pay, perform, guarantee or assure the payment of the Guaranteed Obligations or any part thereof, it being recognized, acknowledged and agreed by each Subsidiary Guarantor that such Subsidiary Guarantor may be required to pay the Guaranteed Obligations in full without assistance or support of any other Person, and such Subsidiary Guarantor has not been induced to enter into this Guaranty on the basis of a contemplation, belief, understanding or agreement that any parties other than the Company will be liable to perform the Guaranteed Obligations, or that the Holders will look to other parties to perform the Guaranteed Obligations;

(vi) the taking or accepting of any other security, collateral or guaranty, or other assurance of payment, for all or any part of the Guaranteed Obligations;

(vii) any release, surrender, exchange, subordination, deterioration, waste, loss or impairment (including negligent, unreasonable or unjustifiable impairment) of any collateral, property or security, at any time existing in connection with, or assuring or securing payment of, all or any part of the Guaranteed Obligations;

(viii) the failure of any Holder or any other Person to exercise diligence or reasonable care in the preservation, protection, enforcement, sale or other handling or treatment of all or any part of such collateral, property or security;

(ix) the fact that any collateral, security, security interest or lien contemplated or intended to be given, created or granted as security for the repayment of the Guaranteed Obligations shall not be properly perfected or created, or shall prove to be unenforceable or subordinate to any other security interest or lien, it being recognized and agreed by each Subsidiary Guarantor that such Subsidiary Guarantor is not entering into this Guaranty in reliance on, or in contemplation of the benefits of, the validity, enforceability, collectibility or value of any of the collateral;

(x) any payment by the Company to any Holder being held to constitute a preference under any Fraudulent Conveyance Law, or for any reason any Holder being required to refund such payment or pay such amount to the Company or someone else;

(xi) any other action taken or omitted to be taken with respect to the Guaranteed Obligations, or the security and collateral therefor, whether or not such action or omission prejudices such Subsidiary Guarantor or increases the likelihood that such Subsidiary Guarantor will be required to pay the Guaranteed Obligations pursuant to the terms hereof, it being the unambiguous and unequivocal intention of such Subsidiary Guarantor that it shall be obligated to pay the Guaranteed Obligations when due, notwithstanding any occurrence, circumstance, event, action or omission whatsoever,

whether or not contemplated, and whether or not otherwise or particularly described herein, except for the full and final payment and satisfaction of the Guaranteed Obligations in cash;

(xii) the fact that all or any of the Guaranteed Obligations cease to exist by operation of law, including by way of a discharge, limitation or tolling thereof under applicable bankruptcy laws;

(xiii) any other circumstance (including any statute of limitations) that might in any manner or to any extent otherwise constitute a defense available to, vary the risk of, or operate as a discharge of, the Company or any Person as a matter of law or equity;

(xiv) any merger or consolidation of the Company or any Subsidiary Guarantor into or with any other Person or any sale, lease or transfer of any of the assets of the Company to any other Person;

(xv) any change in the ownership of any shares of capital stock of the Company, or any change in the relationship between the Company and such Subsidiary Guarantor or any termination of any such relationship;

(xvi) any default, failure or delay, willful or otherwise, in the performance by the Company, any Subsidiary Guarantor or any other Person of any obligations of any kind or character whatsoever under the Note Purchase Agreement or any other agreement;

(xvii) any merger or consolidation of the Company or any Subsidiary Guarantor or any other Person into or with any other Person or any sale, lease, transfer or other disposition of any of the assets of the Company, any Subsidiary Guarantor or any other Person to any other Person, or any change in the ownership of any shares or partnership interests of the Company, any Subsidiary Guarantor or any other Person;

(xviii) in respect of the Company, any Subsidiary Guarantor or any other Person, any change of circumstances, whether or not foreseen or foreseeable, whether or not imputable to the Company, any Subsidiary Guarantor or any other Person, or other impossibility of performance through fire, explosion, accident, labor disturbance, floods, droughts, embargoes, wars (whether or not declared), civil commotion, acts of God or the public enemy, delays or failure of suppliers or carriers, inability to obtain materials, action of any Federal or state regulatory body or agency, change of law or any other causes affecting performance, or any other *force majeure*, whether or not beyond the control of the Company, any Subsidiary Guarantor or any other Person and whether or not of the kind hereinbefore specified; or

(xix) any other occurrence, circumstance, or event whatsoever, whether similar or dissimilar to the foregoing, whether foreseen or unforeseen, and any other circumstance which might otherwise constitute a legal or equitable defense or discharge

of the liabilities of a guarantor or surety or which might otherwise limit recourse against such Subsidiary Guarantor;

provided that the specific enumeration of the above-mentioned acts, failures or omissions shall not be deemed to exclude any other acts, failures or omissions, though not specifically mentioned above, it being the purpose and intent of this Guaranty and the parties hereto that the obligations of each Subsidiary Guarantor shall be absolute and unconditional and shall not be discharged, impaired or varied except by the payment and performance of all obligations of the Company under the Note Purchase Agreement and the Notes in accordance with their respective terms as each may be amended or modified from time to time. Without limiting the foregoing, it is understood that repeated and successive demands may be made and recoveries may be had hereunder as and when, from time to time, the Company or any Subsidiary Guarantor shall default under or in respect of the terms of the Note Purchase Agreement and that notwithstanding recovery hereunder for or in respect of any given default or defaults by the Company or any Subsidiary Guarantor under the Note Purchase Agreement, this Guaranty shall remain in full force and effect and shall apply to each and every subsequent default. All waivers herein contained shall be without prejudice to the Holders at their respective options to proceed against the Company, any Subsidiary Guarantor or other Person, whether by separate action or by joinder.

(d) Each Subsidiary Guarantor hereby consents and agrees that any Holder or Holders from time to time, with or without any further notice to or assent from any other Subsidiary Guarantor may, without in any manner affecting the liability of any Subsidiary Guarantor under this Guaranty, and upon such terms and conditions as any such Holder or Holders may deem advisable:

(i) extend in whole or in part (by renewal or otherwise), modify, change, compromise, release or extend the duration of the time for the performance or payment of any debt, liability or obligation of the Company or any Subsidiary Guarantor or of any other Person secondarily or otherwise liable for any debt, liability or obligations of the Company on the Note Purchase Agreement or the Notes, or waive any Default or Event of Default with respect thereto, or waive, modify, amend or change any provision of any other agreement or waive this Guaranty; or

(ii) sell, release, surrender, modify, impair, exchange or substitute any and all property, of any nature and from whomsoever received, held by, or for the benefit of, any such Holder as direct or indirect security for the payment or performance of any debt, liability or obligation of the Company, any Subsidiary Guarantor or of any other Person secondarily or otherwise liable for any debt, liability or obligation of the Company on the Note Purchase Agreement or the Notes; or

(iii) settle, adjust or compromise any claim of the Company or any Subsidiary Guarantor against any other Person secondarily or otherwise liable for any debt, liability or obligation of the Company on the Note Purchase Agreement or the Notes; or

(iv) purchase Additional Notes from time to time from the Company pursuant to the terms and provisions of the Note Purchase Agreement.

Each Subsidiary Guarantor hereby ratifies and confirms any such extension, renewal, change, sale, release, waiver, surrender, exchange, modification, amendment, impairment, substitution, settlement, adjustment, compromise [or purchase Additional Notes] and that the same shall be binding upon it, and hereby waives, to the fullest extent permitted by law, any and all defenses, counterclaims or offsets which it might or could have by reason thereof, it being understood that such Subsidiary Guarantor shall at all times be bound by this Guaranty and remain liable hereunder.

(e) All rights of any Holder may be transferred or assigned at any time in accordance with the Note Purchase Agreement and shall be considered to be transferred or assigned at any time or from time to time upon the transfer of such Note in accordance with the Note Purchase Agreement without the consent of or notice to the Subsidiary Guarantors under this Guaranty.

(f) No Holder shall be under any obligation: (i) to marshal any assets in favor of the Subsidiary Guarantors or in payment of any or all of the liabilities of the Company or any Subsidiary Guarantor under or in respect of the Notes or the obligations of the Company and the Subsidiary Guarantors under the Note Purchase Agreement or (ii) to pursue any other remedy that the Subsidiary Guarantors may or may not be able to pursue themselves and that may lighten the Subsidiary Guarantors' burden, any right to which each Subsidiary Guarantor hereby expressly waives.

SECTION 4. FULL RECOURSE OBLIGATIONS; PARI PASSU RANKING.

Subject to the Maximum Guaranteed Amount specified above, the obligations of each Subsidiary Guarantor set forth herein constitute the full recourse obligations of such Subsidiary Guarantor enforceable against it to the full extent of all its assets and properties.

The respective obligations under this Guaranty of the Subsidiary Guarantors are and at all times shall remain direct and unsecured obligations of the Subsidiary Guarantors ranking *pari passu* as against the assets of the Subsidiary Guarantors without any preference among themselves and *pari passu* with all other present and future unsecured Debt (actual or contingent) of the Subsidiary Guarantors which is not expressed to be subordinate or junior in rank to any other unsecured Debt of the Subsidiary Guarantors.

SECTION 5. WAIVER.

Each Subsidiary Guarantor unconditionally waives, to the extent permitted by applicable law:

(a) notice of any of the matters referred to in Section 3;

(b) notice to such Subsidiary Guarantor of the incurrence of any of the Guaranteed Obligations, notice to such Subsidiary Guarantor of any breach or default by

the Company or such Subsidiary Guarantor with respect to any of the Guaranteed Obligations or any other notice that may be required, by statute, rule of law or otherwise, to preserve any rights of any Holder against such Subsidiary Guarantor;

(c) presentment to the Company or such Subsidiary Guarantor or of payment from the Company or such Subsidiary Guarantor with respect to any Note or other Guaranteed Obligation or protest for nonpayment or dishonor;

(d) any right to the enforcement, assertion, exercise or exhaustion by any Holder of any right, power, privilege or remedy conferred in any Note, the Note Purchase Agreement or otherwise;

(e) any requirement of diligence on the part of any Holder;

(f) any requirement to mitigate the damages resulting from any default under the Notes or the Note Purchase Agreement;

(g) any notice of any sale, transfer or other disposition of any right, title to or interest in any Note or other Guaranteed Obligation by any Holder, assignee or participant thereof, or in the Note Purchase Agreement;

(h) any release of any Subsidiary Guarantor from its obligations hereunder resulting from any loss by it of its rights of subrogation hereunder; and

(i) any other circumstance whatsoever which might otherwise constitute a legal or equitable discharge, release or defense of a guarantor or surety or which might otherwise limit recourse against such Subsidiary Guarantor.

SECTION 6. WAIVER OF SUBROGATION.

Notwithstanding any payment or payments made by any Subsidiary Guarantor hereunder, or any application by any Holder of any security or of any credits or claims, no Subsidiary Guarantor will assert or exercise any rights of any Holder or of such Subsidiary Guarantor against the Company to recover the amount of any payment made by such Subsidiary Guarantor to any Holder hereunder by way of any claim, remedy or subrogation, reimbursement, exoneration, contribution, indemnity, participation or otherwise arising by contract, by statute, under common law or otherwise, and such Subsidiary Guarantor shall not have any right of recourse to or any claim against assets or property of the Company, in each case unless and until the Guaranteed Obligations have been paid in full. Until such time (but not thereafter), each Subsidiary Guarantor hereby expressly waives any right to exercise any claim, right or remedy which such Subsidiary Guarantor may now have or hereafter acquire against the Company or any other Subsidiary Guarantor that arises under the Notes, the Note Purchase Agreement or from the performance by any Subsidiary Guarantor of the guaranty hereunder including any claim, remedy or right of subrogation, reimbursement, exoneration, contribution, indemnification or participation in any claim, right or remedy of any Holder against the Company or any Subsidiary Guarantor, or any security that any Holder now has or hereafter acquires, whether or not such

claim, right or remedy arises in equity, under contract, by statute, under common law or otherwise. If any amount shall be paid to a Subsidiary Guarantor by the Company or another Subsidiary Guarantor after payment in full of the Guaranteed Obligations, and all or any portion of the Guaranteed Obligations shall thereafter be reinstated in whole or in part and any Holder is required to repay any sums received by any of them in payment of the Guaranteed Obligations, this Guaranty shall be automatically reinstated and such amount shall be held in trust for the benefit of the Holders and shall forthwith be paid to the Holders to be credited and applied to the Guaranteed Obligations, whether matured or unmatured. The provisions of this paragraph shall survive the termination of this Guaranty, and any satisfaction and discharge of the Company by virtue of any payment, court order or any Federal or state law.

SECTION 7. SUBORDINATION.

If any Subsidiary Guarantor becomes the holder of any indebtedness payable by the Company or another Subsidiary Guarantor, each Subsidiary Guarantor hereby subordinates all indebtedness owing to it from the Company or such other Subsidiary Guarantor to all indebtedness of the Company to the Holders, and agrees that, during the continuance of any Event of Default, it shall not accept any payment on the same until payment in full of the Guaranteed Obligations and shall in no circumstance whatsoever attempt to set-off or reduce any obligations hereunder because of such indebtedness. If any amount shall nevertheless be paid in violation of the foregoing to a Subsidiary Guarantor by the Company or another Subsidiary Guarantor prior to payment in full of the Guaranteed Obligations, such amount shall be held in trust for the benefit of the Holders and shall forthwith be paid to the Holders to be credited and applied to the Guaranteed Obligations, whether matured or unmatured.

SECTION 8. EFFECT OF BANKRUPTCY PROCEEDINGS, ETC.

(a) If after receipt of any payment of, or proceeds of any security applied (or intended to be applied) to the payment of all or any part of, the Guaranteed Obligations, any Holder is for any reason compelled to surrender or voluntarily surrenders (under circumstances in which it believes it could reasonably be expected to be so compelled if it did not voluntarily surrender), such payment or proceeds to any Person (i) because such payment or application of proceeds is or may be avoided, invalidated, declared fraudulent, set aside, determined to be void or voidable as a preference, fraudulent conveyance, fraudulent transfer, impermissible set-off or a diversion of trust funds or (ii) for any other similar reason, including, without limitation, (x) any judgment, decree or order of any court or administrative body having jurisdiction over any Holder or any of their respective properties or (y) any settlement or compromise of any such claim effected by any Holder with any such claimant (including the Company), then the Guaranteed Obligations or part thereof intended to be satisfied shall be reinstated and continue, and this Guaranty shall continue in full force as if such payment or proceeds had not been received, notwithstanding any revocation thereof or the cancellation of any Note or any other instrument evidencing any Guaranteed Obligations or otherwise, and the Subsidiary Guarantors, jointly and severally, shall be liable to pay the Holders, and hereby do indemnify the Holders and hold them harmless for, the amount of such payment or proceeds so surrendered and all expenses (including reasonable attorneys' fees, court costs and expenses attributable thereto) incurred by any Holder in defense of any claim made against any of them that any payment or proceeds received by any Holder in

respect of all or part of the Guaranteed Obligations must be surrendered. The provisions of this paragraph shall survive the termination of this Guaranty, and any satisfaction and discharge of the Company by virtue of any payment, court order or any Federal or state law.

(b) If an event permitting the acceleration of the maturity of any of the Guaranteed Obligations shall at any time have occurred and be continuing, and such acceleration shall at such time be prevented by reason of the pendency against the Company or any other Person of any case or proceeding contemplated by Section 8(a) hereof, then, for the purpose of defining the obligation of any Subsidiary Guarantor under this Guaranty, the maturity of the principal amount of the Guaranteed Obligations shall be deemed to have been accelerated with the same effect as if an acceleration had occurred in accordance with the terms of such Guaranteed Obligations, and such Subsidiary Guarantor shall forthwith pay such principal amount, all accrued and unpaid interest thereon, and all other Guaranteed Obligations, due or that would have become due but for such case or proceeding, without further notice or demand.

SECTION 9. TERM OF GUARANTY.

This Guaranty and all guarantees, covenants and agreements of each Subsidiary Guarantor contained herein shall continue in full force and effect and shall not be discharged until such time as all of the principal of and interest on the Notes, the other Guaranteed Obligations and other independent payment obligations of such Subsidiary Guarantor under this Guaranty shall be paid in cash and performed in full, and all of the agreements of each of the other Subsidiary Guarantors hereunder shall be duly paid in cash and performed in full.

SECTION 10. CONTRIBUTION.

In order to provide for just and equitable contribution among the Subsidiary Guarantors, each Subsidiary Guarantor agrees that, to the extent any Subsidiary Guarantor makes any payment hereunder on any date which, when added to all preceding payments made by such Subsidiary Guarantor hereunder, would result in the aggregate payments by such Subsidiary Guarantor hereunder exceeding its Percentage (as defined below) of all payments then or theretofore made by all Subsidiary Guarantors hereunder, such Subsidiary Guarantor shall have a right of contribution against each other Subsidiary Guarantor whose aggregate payments then or theretofore made hereunder are less than its Percentage of all payments by all Subsidiary Guarantors then or theretofore made hereunder, in an amount such that, after giving effect to any such contribution rights, each Subsidiary Guarantor will have paid only its Percentage of all payments by all Subsidiary Guarantors then or theretofore made hereunder. A Subsidiary Guarantor's "Percentage" on any date shall mean the percentage obtained by dividing (a) the Adjusted Net Assets of such Subsidiary Guarantor on such date by (b) the sum of the Adjusted Net Assets of all Subsidiary Guarantors on such date. "*Adjusted Net Assets*" means, for each Subsidiary Guarantor on any date, the lesser of (i) the amount by which the fair value of the property of such Subsidiary Guarantor exceeds the total amount of liabilities, including contingent liabilities, but excluding liabilities under this Guaranty, of such Subsidiary Guarantor on such date and (ii) the amount by which the present fair salable value of the assets of such Subsidiary Guarantor on such date exceeds the amount that will be required to pay the probable

liability of such Subsidiary Guarantor on its debts, excluding debt in respect of this Guaranty, as they become absolute and matured.

SECTION 11. LIMITATION OF LIABILITY.

Each Subsidiary Guarantor hereby confirms that it is the intention of such Subsidiary Guarantor that the guarantee by such Subsidiary Guarantor pursuant to this Guaranty not constitute a fraudulent transfer or conveyance for purposes of Title 11 of the United States Code, the Uniform Fraudulent Conveyance Act, the Uniform Fraudulent Transfer Act or any similar applicable Federal or state law (all such statutes and laws are collectively referred to as "*Fraudulent Conveyance Laws*"). To effectuate the foregoing intention, each Subsidiary Guarantor hereby irrevocably agrees that the obligations of such Subsidiary Guarantor under this Guaranty shall be limited to the amount as will, after giving effect to all rights to receive any collections from or payments by or on behalf of any other Subsidiary Guarantor in respect of the obligations of such other Subsidiary Guarantor pursuant to Section 10 hereof, result in the obligations of such Subsidiary Guarantor under this Guaranty not constituting such a fraudulent transfer or conveyance. In the event that the liability of any Subsidiary Guarantor hereunder is limited pursuant to this Section 11 to an amount that is less than the total amount of the Guaranteed Obligations, then it is understood and agreed that the portion of the Guaranteed Obligations for which such Subsidiary Guarantor is liable hereunder shall be the last portion of the Guaranteed Obligations to be repaid.

SECTION 12. NEGATIVE PLEDGE.

Except as permitted under Section 10.4 of the Note Purchase Agreement, no Subsidiary Guarantor will create any Lien on its assets to any other Person during the pendency of this Guaranty except for Liens permitted by Section 10.4 of the Note Purchase Agreement.

SECTION 13. SUPPLEMENTAL AGREEMENT.

Upon execution and delivery by a Subsidiary of a Supplemental Agreement substantially in the form of Exhibit A hereto, such Subsidiary shall become a Subsidiary Guarantor hereunder with the same force and effect as if originally named as a Subsidiary Guarantor herein. The execution and delivery of any such instrument shall not require the consent of any other Subsidiary Guarantor hereunder. The rights and obligations of each Subsidiary Guarantor hereunder shall remain in full force and effect notwithstanding the addition of any new Subsidiary Guarantor as a party to this Guaranty.

SECTION 14. DEFINITIONS AND TERMS GENERALLY.

(a) Unless otherwise defined herein, capitalized terms defined in the Note Purchase Agreement are used herein as defined therein. In addition, the following terms shall have the following meanings.

"*Adjusted Net Assets*" has the meaning specified in Section 10 hereof.

“Fraudulent Conveyance Laws” has the meaning specified in Section 11 hereof.

“Guaranteed Obligations” has the meaning specified in Section 1 hereof.

“Guaranty” has the meaning specified in the introduction hereto.

“Holders” has the meaning specified in the introduction hereto.

“Material Adverse Effect” means a material adverse effect (a) on the business, financial condition, operations or Properties of a Subsidiary Guarantor taken as a whole or (b) on its ability to perform its obligations hereunder.

“Maximum Guaranteed Amount” shall mean, for each Subsidiary Guarantor, the maximum amount which any Subsidiary Guarantor could pay under this Guaranty without having such payment set aside as a fraudulent transfer or conveyance or similar action under Fraudulent Conveyance Law.

“Note Purchase Agreement” has the meanings specified in the Recitals hereto.

“Notes” has the meanings specified in the Recitals hereto.

“Percentage” has the meaning specified in Section 10 hereof.

“Required Holders” is has the meaning specified in the Note Purchase Agreement.

“Subsidiary Guarantor” has the meaning specified in the introduction hereto.

(b) Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include,” “includes” and “including” shall be deemed to be followed by the phrase “without limitation.” All references herein to Articles, Sections, Exhibits and Schedules shall be deemed references to Articles and Sections of, and Exhibits and Schedules to, this Guaranty unless the context shall otherwise require.

SECTION 15. NOTICES.

All notices under the terms and provisions hereof shall be in writing (with charges prepaid), and shall be delivered or sent by hand, by telecopy, by express courier service or by registered or certified mail, return receipt requested, postage prepaid, addressed,

(a) if to any Holder, at the address set forth in the Note Purchase Agreement, or at such other address as any such Holder shall from time to time designate to the Company,

(b) if to a Subsidiary Guarantor, at the address of such Subsidiary Guarantor set forth on the signature pages hereto or at such other address as such Subsidiary Guarantor shall from time to time designate in writing to each Holder.

A notice or communication shall be deemed to have been duly given and effective:

- (a) when delivered (whether or not accepted), if personally delivered;
- (b) five business days after being deposited in the mail, postage prepaid, if delivered by first-class mail (whether or not accepted);
- (c) when sent, if sent via facsimile;
- (d) when delivered if sent by registered or certified mail (whether or not accepted); and
- (e) on the next Business Day if timely delivered by an overnight air courier, with charges prepaid (whether or not accepted).

SECTION 16. AMENDMENTS, ETC.

No amendment, alteration, modification or waiver of any term or provision of this Guaranty, nor consent to any departure by any Subsidiary Guarantor therefrom, shall in any event be effective unless the same shall be in writing and consented to by the Required Holders *provided, however*, that any amendment, alteration, modification or waiver of the terms and conditions contained in Section 1 hereof shall require consent from all Holders, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

SECTION 17. CONSENT TO JURISDICTION; SERVICE OF PROCESS.

(a) Each Subsidiary Guarantor irrevocably submits to the nonexclusive *in personam* jurisdiction of any New York State or federal court sitting in New York City, over any suit, action or proceeding arising out of or relating to this Guaranty or the Notes. To the fullest extent it may effectively do so under applicable law, each Subsidiary Guarantor irrevocably waives and agrees not to assert, by way of motion, as a defense or otherwise, any claim that it is not subject to the *in personam* jurisdiction of any such court, any objection that it may now or hereafter have to the laying of the venue of any such suit, action or proceeding brought in any such court and any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum.

(b) Each Subsidiary Guarantor agrees, to the fullest extent it may effectively do so under applicable law, that a final judgment in any suit, action or proceeding of the nature referred to in paragraph (a) of this Section 17 brought in any such court shall be conclusive and binding upon such party, subject to rights of appeal and may be enforced in the courts of the United States of America or the State of New York (or any other courts to the jurisdiction of which such party is or may be subject) by a suit upon such judgment.

(c) Each Subsidiary Guarantor consents to process being served in any suit, action or proceeding of the nature referred to in paragraph (a) of this Section 17 by mailing a copy thereof

by registered or certified mail, postage prepaid, return receipt requested, to the address of each Subsidiary Guarantor specified in Section 15 or at such other address of which you shall then have been notified pursuant to said Section or to any agent for service of process appointed pursuant to the provisions of Section 27. Each Subsidiary Guarantor agrees that such service upon receipt (i) shall be deemed in every respect effective service of process upon it in any such suit, action or proceeding and (ii) shall, to the full extent permitted by law, be taken and held to be valid personal service upon and personal delivery to such party. Notices hereunder shall be conclusively presumed received as evidenced by a delivery receipt furnished by the United States Postal Service or any reputable commercial delivery service.

(d) Nothing in this Section 17 shall affect the right of any holder of Notes to serve process in any manner permitted by law, or limit any right that the holders of any of the Notes may have to bring proceedings against any Subsidiary Guarantor in the courts of any appropriate jurisdiction or to enforce in any lawful manner a judgment obtained in one jurisdiction in any other jurisdiction.

SECTION 18. WAIVER OF JURY TRIAL.

EACH SUBSIDIARY GUARANTOR AND BY ITS ACCEPTANCE HEREOF EACH HOLDER, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IRREVOCABLY AND UNCONDITIONALLY WAIVES THE RIGHT TO TRIAL BY JURY IN ANY LEGAL OR EQUITABLE ACTION, SUIT OR PROCEEDING ARISING OUT OF OR RELATING TO THIS GUARANTY OR THE NOTE PURCHASE AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREBY OR THEREBY OR THE SUBJECT MATTER OF ANY OF THE FOREGOING.

SECTION 19. SURVIVAL.

All warranties, representations and covenants made by each Subsidiary Guarantor herein or in any written certificate or other instrument required to be delivered by it or on its behalf hereunder or under the Note Purchase Agreement shall be considered to have been relied upon by the Holders and shall survive the execution and delivery of this Guaranty, regardless of any investigation made by any Holder or on such Holder's behalf. All statements in any such certificate or other instrument shall constitute warranties and representations by such Subsidiary Guarantor hereunder.

SECTION 20. SEVERABILITY.

Any provision of this Guaranty which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by applicable law, each Subsidiary Guarantor hereby waives any provision of law that renders any provisions hereof prohibited or unenforceable in any respect.

SECTION 21. SUCCESSORS AND ASSIGNS.

The terms of this Guaranty shall be binding upon each Subsidiary Guarantor and its successors and assigns and shall inure to the benefit of the Holders and their respective successors and assigns.

SECTION 22. TABLE OF CONTENTS; HEADINGS.

The section and paragraph headings in this Guaranty and the table of contents are for convenience of reference only and shall not modify, define, expand or limit any of the terms or provisions hereof, and all references herein to numbered sections, unless otherwise indicated, are to sections in this Guaranty.

SECTION 23. COUNTERPARTS.

This Guaranty may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument.

SECTION 24. GOVERNING LAW.

This Guaranty shall in all respects be governed by, and construed and interpreted in accordance with, the laws of the State of New York, without regard to the conflicts of laws principles of such state.

SECTION 25. RELEASE.

Notwithstanding any other provision hereof to the contrary, including without limitation Section 3(c)(v), 3(c)(xiv) and 3(c)(xv), a Subsidiary Guarantor shall be automatically released from its guaranty hereunder upon the sale or exchange of all or substantially all of the stock or the assets of such Subsidiary Guarantor permitted pursuant to Section 10.5 of the Note Purchase Agreement.

SECTION 26. COVENANT COMPLIANCE.

Each Subsidiary Guarantor agrees to comply with each of the covenants contained herein and in the Note Purchase Agreement that imposes or purports to impose, by reference to such Subsidiary Guarantor, express or otherwise, through agreements with the Company, restrictions or obligations on such Subsidiary Guarantor.

SECTION 27. APPOINTMENT OF PROCESS AGENT.

Each Subsidiary Guarantor hereby designates and appoints CT Corporation System (or any successor corporation), at its office at 111 Eighth Avenue, New York, New York 10011, as its authorized agent to accept and acknowledge on behalf of each Subsidiary Guarantor service of any and all process which may be served in any such action, suit or proceeding with respect to

any matter as to which it has submitted to jurisdiction as set forth in Section 17, and it agrees that service upon such authorized agent shall be deemed in every respect service of process upon a Subsidiary Guarantor or its respective successors or assigns, and, to the extent permitted by applicable law, shall be taken and held to be valid personal service upon it. Such designation and appointment shall be irrevocable. Each Subsidiary Guarantor represents and warrants that CT Corporation System has agreed to act as such agent for service of process on behalf of each Subsidiary Guarantor. Each Subsidiary Guarantor will take all action, including the filing of any and all documents and instruments, as may be necessary to continue in full force and effect the designation and appointment as such agent of CT Corporation System or any successor corporation or such other corporation as shall be satisfactory to the Required Holders, so that each Subsidiary Guarantor shall at all times have an agent for service of process for the above purposes in the County of New York, State of New York.

IN WITNESS WHEREOF, each party hereto has caused this Guaranty to be duly executed as of the date first above written.

Odis, Inc.

By: /s/ J. Wes Frye

Name: J. Wes Frye

Title: President

EXHIBIT A
FORM OF SUPPLEMENTAL AGREEMENT

SUPPLEMENTAL AGREEMENT dated as of _____, _____ from _____, a _____ corporation (the "*New Subsidiary*"), for the benefit of the Holders (as defined in the Guaranty referred to below). Capitalized terms used herein without definition shall have the respective meanings ascribed thereto in the Subsidiary Guaranty Agreement, dated as of _____, 20__ (the "*Guaranty*"), from: (i) [names of guarantors] (_____) such other Subsidiaries (as defined below) as shall become parties thereto in accordance therewith, for the benefit of the Holders (as such term is defined in such Guaranty).

WHEREAS, OLD DOMINION FREIGHT LINE, INC., a Virginia corporation (the "*Company*") will authorize the issue and sale of (i) \$50,000,000 aggregate principal amount of the 4.68% Series A Senior Notes, Tranche A, due February 25, 2015 and (ii) \$25,000,000 aggregate principal amount of the 4.68% Series A Senior Notes, Tranche B, due February 25, 2015 (collectively, the "*Series A Notes*"), pursuant to a Note Purchase Agreement, dated as of the date hereof (as amended, modified or supplemented from time to time, the "*Note Purchase Agreement*") among the Company and the purchasers named therein.

WHEREAS, the Company is authorized to issue Additional Notes (as such term is defined in the Note Purchase Agreement) of one or more separate series from time to time in an aggregate principal amount not to exceed \$300,000,000 pursuant to Section 2.2 of the Note Purchase Agreement.

WHEREAS, the Additional Notes together with the Series A Notes are collectively referred to as the "*Notes*".

WHEREAS, the New Subsidiary is a Subsidiary of the Company.

WHEREAS, the existing Subsidiaries of the Company have entered into the Guaranty.

WHEREAS, the Note Purchase Agreement requires that certain Subsidiaries become party to the Guaranty (as a Subsidiary Guarantor).

WHEREAS, the New Subsidiary acknowledges that it will derive substantial benefits from the issuance of the Notes.

WHEREAS, the Guaranty specifies that additional Subsidiaries may become Subsidiary Guarantors under such Guaranty by execution and delivery of an instrument in the form of this Agreement. The undersigned Subsidiary is executing this Agreement in accordance with the requirements of the Note Purchase Agreement in order to become a Subsidiary Guarantor under the Guaranty as consideration for the Notes previously purchased.

NOW, THEREFORE, the New Subsidiary Guarantor agrees as follows:

Section 1. Guaranty. In accordance with Section 13 of the Guaranty, the New Subsidiary by its signature hereto shall become a Subsidiary Guarantor under such Guaranty with the same force and effect as if originally named therein as a Subsidiary Guarantor and the New Subsidiary hereby (a) agrees to all the terms and provisions of such Guaranty applicable to it as a Subsidiary Guarantor thereunder, (b) represents and warrants that the representations and warranties made by it as a Subsidiary Guarantor are true and correct on and as of the date hereof with the same effect as though made on and as of the date hereof, (c) acknowledges receipt of a copy of and agrees to be obligated and bound by the terms of such Guaranty, and (d) agrees that each reference to a “*Subsidiary Guarantor*” in such Guaranty shall be deemed to include the New Subsidiary.

Section 2. Enforceability. The New Subsidiary hereby represents and warrants that this Agreement has been duly authorized, executed and delivered by the New Subsidiary and constitutes a legal, valid and binding obligation of the New Subsidiary enforceable against it in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the applicability of creditors’ rights generally and by equitable principles of general applicability (regardless of whether such enforceability is considered in a proceeding in equity or at law).

Section 3. Effect on Guaranty. Except as expressly supplemented hereby, the Guaranty shall continue in full force and effect.

Section 4. GOVERNING LAW. THIS AGREEMENT SHALL IN ALL RESPECTS BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO THE CONFLICTS OF LAWS PRINCIPLES OF SUCH STATE.

Section 5. Savings Clause. To the fullest extent permitted under applicable law, in the event any one or more of the provisions contained in this Agreement should be held invalid, illegal or unenforceable in any respect with respect to the New Subsidiary, no party hereto shall be required to comply with such provision for so long as such provision is held to be invalid, illegal or unenforceable, and the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired. The parties shall endeavor in good-faith negotiations to replace any invalid, illegal or unenforceable provisions with valid provisions, the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

Section 6. Notices. All communications to the New Subsidiary shall be given to it at the address or telecopy number set forth under its signature hereto.

IN WITNESS WHEREOF, the New Subsidiary has duly executed this Agreement as of the day and year first above written.

[NEW SUBSIDIARY]

By: _____

Name:

Title:

Address:

Telecopy:

SECOND AMENDMENT
to the
CREDIT AGREEMENT,
dated as of June 30,2003,
among
OLD DOMINION FREIGHT LINE, INC.,
THE LENDERS NAMED HEREIN,
and
WACHOVIA BANK, NATIONAL ASSOCIATION,
as Agent
Dated February 25, 2005

SECOND AMENDMENT TO CREDIT AGREEMENT

THIS SECOND AMENDMENT, dated the 25th day of February, 2005 (this "Amendment"), is made in respect of the Credit Agreement dated as of June 30, 2003 by and between **OLD DOMINION FREIGHT LINE, INC.**, a Virginia corporation, the Lenders named therein and **WACHOVIA BANK, NATIONAL ASSOCIATION**, as agent for the Lenders, as amended by the First Amendment To Credit Agreement dated as of April 14, 2004 (as amended, the "Credit Agreement"). Capitalized terms used but not defined herein shall have the meanings given to such terms in the Credit Agreement.

The parties hereto agree to amend the Credit Agreement as set forth herein.

STATEMENT OF AGREEMENT

WHEREAS, the Borrower has notified the Lenders that it desires to enter into a Note Purchase Agreement dated February 25, 2005 between the Borrower and the purchasers listed therein (the "Note Agreement"), under which the Borrower will be able to borrow up to \$300 million from time to time through the issuance of senior unsecured notes; and

WHEREAS, pursuant to the terms of the Note Agreement, the Borrower desires to issue up to (i) \$50,000,000 in Series A Senior Notes on February 25, 2005, with such notes having a maturity date of February 25, 2015, and (ii) an additional \$25,000,000 in Series A Senior Notes on May 25, 2005 (or on such other date as may be agreed upon by the Borrower and the purchasers of such notes), with such additional notes maturing on February 25, 2015 (collectively, the "Offerings"); and

WHEREAS, the Borrower has requested that the Lenders amend the Credit Agreement to permit the Offerings, as hereinafter provided, and the Lenders are agreeable to such waiver;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto for themselves and their successors and assigns, agree as follows:

ARTICLE I.

AMENDMENT TO CREDIT AGREEMENT

Section 8.2 of the Credit Agreement is hereby amended by striking the word "and" at the end of clause (x) thereof, replacing the period at the end of clause (xi) thereof with "; and" and adding thereto a new clause (xii) to read in full as follows: "(xii) Indebtedness incurred by the Borrower and ODIS, Inc, as a guarantor, up to an aggregate principal amount of \$75,000,000 as a result of the Borrower issuing the Series A Senior Notes pursuant to the terms of the Note Purchase Agreement, as in effect as of the date hereof, dated as of February 25, 2005, between the Borrower and the purchasers named therein."

ARTICLE II.
EFFECTIVENESS

This Amendment shall be effective when the Agent receives counterparts of this Amendment duly executed by the Borrower and each of the Required Lenders.

ARTICLE III.
MISCELLANEOUS

3.1 **Full Force and Effect.** Except as expressly amended hereby and waived in Section 3.6, the Credit Agreement shall continue in full force and effect in accordance with the provisions thereof on the date hereof. As used in the Credit Agreement, “hereinafter,” “hereto,” “hereof,” and words of similar import shall, unless the context otherwise requires, mean the Credit Agreement after being amended by this Amendment. Any reference to the Credit Agreement or any of the other Credit Documents herein or in any such documents shall refer to the Credit Agreement and Credit Documents as amended and waived hereby.

3.2 **Applicable Law.** This Amendment shall be governed by and construed and enforced in accordance with the laws of the State of North Carolina (without regard to the conflicts of law provisions thereof).

3.3 **Counterparts.** This Amendment may be executed in any number of counterparts and by different parties hereto on separate counterparts, each of which when so executed and delivered shall be an original, but all of which shall together constitute one and the same instrument.

3.4 **Headings.** The headings of this Amendment are for the purposes of reference only and shall not affect the construction of this Amendment.

3.5 **Fees and Expenses.** The Borrower agrees to pay all reasonable out-of-pocket expenses incurred by the Agent in connection with the preparation, execution and delivery of this Amendment and the other documentation prepared in connection therewith, including without limitation, all reasonable attorney’s fees.

3.6 **Most Favored Lender.** The Required Lenders hereby waive their rights under Section 6.11 of the Credit Agreement with respect to the Note Agreement as in effect as of the date hereof.

IN WITNESS WHEREOF, the Borrower, Wachovia, as Lender, Issuing Lender, Swingline Lender and Agent, and the Required Lenders have caused this Amendment to be executed by their duly authorized officers all as of the day and year first above written.

**OLD DOMINION FREIGHT LINE, INC., as
Borrower**

By: /s/ J.Wes Frye

Name: J. Wes Frye
Title: Senior Vice President – Finance/
Chief Financial Officer

**WACHOVIA BANK, NATIONAL
ASSOCIATION, as Agent, Issuing Lender,
Swingline Lender and as a Lender**

By: /s/ Andrew Payne

Name: Andrew Payne
Title: Director

BANK OF AMERICA, N.A., as a Lender

By: /s/ Leesa C. Sluder

Name: Leesa C. Sluder

Title: Senior Vice President

**BRANCH BANKING AND TRUST
COMPANY, as a Lender**

By: /s/ Preston W. Bergen

Name: Preston W. Bergen
Title: Senior Vice President

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the Registration Statement (Form S-8 No. 33-44139) pertaining to the 1991 Employee Stock Option Plan of Old Dominion Freight Line, Inc. of our reports dated March 14, 2005, with respect to the consolidated financial statements and schedule of Old Dominion Freight Line, Inc., Old Dominion Freight Line, Inc. management's assessment of the effectiveness of internal control over financial reporting, and the effectiveness of internal control over financial reporting of Old Dominion Freight Line, Inc., included in this Annual Report (Form 10-K) for the year ended December 31, 2004.

/s/ ERNST & YOUNG LLP

Greensboro, North Carolina
March 14, 2005

CERTIFICATION

I, Earl E. Congdon, certify that:

1. I have reviewed this annual report on Form 10-K of Old Dominion Freight Line, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 16, 2005

/s/ Earl E. Congdon

Chairman & Chief Executive Officer

CERTIFICATION

I, J. Wes Frye, certify that:

1. I have reviewed this annual report on Form 10-K of Old Dominion Freight Line, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 16, 2005

/s/ J. Wes Frye

Senior Vice President – Finance and Chief Financial Officer

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

I, Earl E. Congdon, state and attest that:

- (1) I am the Chairman and Chief Executive Officer of Old Dominion Freight Line, Inc.
- (2) Accompanying this certification is the Annual Report on Form 10-K for Old Dominion Freight Line, Inc., for the year ended December 31, 2004 (the "Annual Report"), a report filed by the issuer with the Securities and Exchange Commission pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (the "Exchange Act"), which contains financial statements.
- (3) I hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:
 - The Annual Report containing the financial statements fully complies with the requirements of Section 13(a) or 15(d) of the Exchange Act, and
 - The information contained in the Annual Report fairly presents, in all material respects, the financial condition and results of operations of the issuer for the periods presented.

/s/ Earl E. Congdon

Name: Earl E. Congdon

Date: March 16, 2005

A signed copy of this written statement required by Section 906 has been provided to Old Dominion Freight Line, Inc. and will be retained by Old Dominion Freight Line, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

I, J. Wes Frye, state and attest that:

- (1) I am the Senior Vice President – Finance and Chief Financial Officer of Old Dominion Freight Line, Inc.
- (2) Accompanying this certification is the Annual Report on Form 10-K for Old Dominion Freight Line, Inc., for the year ended December 31, 2004 (the “Annual Report”), a report filed by the issuer with the Securities and Exchange Commission pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (the “Exchange Act”), which contains financial statements.
- (3) I hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:
 - The Annual Report containing the financial statements fully complies with the requirements of Section 13(a) or 15(d) of the Exchange Act, and
 - The information contained in the Annual Report fairly presents, in all material respects, the financial condition and results of operations of the issuer for the periods presented.

/s/ J. Wes Frye

Name: J. Wes Frye

Date: March 16, 2005

A signed copy of this written statement required by Section 906 has been provided to Old Dominion Freight Line, Inc. and will be retained by Old Dominion Freight Line, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.