

SECURITIES AND EXCHANGE COMMISSION

FORM S-1/A

General form of registration statement for all companies including face-amount certificate companies [amend]

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FILER

OVERNITE CORP

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Mailing Address
1000 SEMMES AVENUE
P O BOX 1216
RICHMOND VA 23218

Business Address
1000 SEMMES AVENUE
P O BOX 1216
RICHMOND VA 23218
8042318000

AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON JULY 22, 1998

REGISTRATION NO. 333-53169

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

AMENDMENT NO. 3
TO
FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

OVERNITE CORPORATION
(Exact name of Registrant as specified in its charter)
VIRGINIA 6719 APPLIED FOR
(State or other (Primary Standard Industrial (I.R.S. Employer
jurisdiction of Classification Code) Identification Number)
incorporation or
organization)

1000 SEMMES AVENUE
P.O. BOX 1216
RICHMOND, VIRGINIA 23218
(804) 231-8000
(Address, including zip code and telephone number, including area code, of
Registrant's principal executive offices)

MR. PATRICK D. HANLEY
SENIOR VICE PRESIDENT AND CHIEF FINANCIAL OFFICER
1000 SEMMES AVENUE
P.O. BOX 1216
RICHMOND, VIRGINIA 23218
(804) 231-8000
(Name, address, including zip code and telephone number, including area code,
of agent for service)

Copies to:

DAVID M. CARTER, ESQ.
HUNTON & WILLIAMS
RIVERFRONT PLAZA, EAST TOWER
951 EAST BYRD STREET
RICHMOND, VIRGINIA 23219
(804) 788-8200

WILLIAM P. ROGERS, JR., ESQ.
CRAVATH, SWAINE & MOORE
825 EIGHTH AVENUE
NEW YORK, NEW YORK 10019
(212) 474-1270

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC: As soon as practicable after the effective date of this Registration Statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. []

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. []

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. []

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. []

If the delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. []

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(A) OF THE SECURITIES ACT OF 1933, OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(A), MAY DETERMINE.

SIGNATURES

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, AS AMENDED, THE REGISTRANT HAS DULY CAUSED THIS AMENDMENT NO. 3 TO REGISTRATION STATEMENT TO BE SIGNED ON ITS BEHALF BY THE UNDERSIGNED, THEREUNTO DULY AUTHORIZED, IN THE CITY OF RICHMOND, COMMONWEALTH OF VIRGINIA ON JULY 22, 1998.

Overnite Corporation
(Registrant)

/s/ Gordon S. Mackenzie

By: _____

GORDON S. MACKENZIE

SENIOR VICE PRESIDENT-OPERATIONS

AND DIRECTOR

SIGNATURE

TITLE

DATE

*

LEO H. SUGGS

Chairman of the
Board of
Directors, Chief
Executive Officer
and President
(Principal
Executive Officer)

July 22, 1998

*

PATRICK D. HANLEY

Senior Vice
President, Chief
Financial Officer
and Director
(Principal
Financial and
Accounting
Officer)

July 22, 1998

/s/ Gordon S. Mackenzie

GORDON S. MACKENZIE

Senior Vice
President--
Operations and
Director

July 22, 1998

JOHN W. FAIN

Senior Vice
President--
Marketing and
Sales and Director

July 22, 1998

* By /s/ David M. Carter

DAVID M. CARTER ATTORNEY-IN-FACT

July 22, 1998

EXHIBIT INDEX

<TABLE>

<CAPTION>

EXHIBIT
NUMBER

DESCRIPTION OF EXHIBIT

<C>

<S>

1.1	Form of Underwriting Agreement to be entered into among the Company, Union Pacific and the Underwriters
3.1	Company's Articles of Incorporation**
3.2	Company's Bylaws**
4.1	Specimen of Common Stock Certificate
5	Opinion of Hunton & Williams with respect to legality
10.1	Form of Bank Credit Facility
10.2	Stock Compensation Plan
10.3	Stock Purchase and Indemnification Agreement
10.4	Services Agreement
10.5	Tax Allocation Agreement
10.6	Computer and Information Technology Agreements
10.7	Pension Plan Agreement
21	Subsidiaries of the Registrant**
23.1	Consent of Deloitte & Touche LLP**
23.2	Consent of Hunton & Williams (included in Exhibit 5)
24	Power of attorney (included on Page II-4)**
27	Financial Data Schedule**

</TABLE>

*To be filed by amendment
**Previously filed

_____ SHARES
OVERNITE CORPORATION
COMMON STOCK, PAR VALUE \$.01 PER SHARE

UNDERWRITING AGREEMENT

July [], 1998

July [], 1998

Morgan Stanley & Co. Incorporated
Credit Suisse First Boston Corporation
Donaldson, Lufkin & Jenrette
Securities Corporation
Merrill Lynch, Pierce, Fenner & Smith
Incorporated
c/o Morgan Stanley & Co. Incorporated
1585 Broadway
New York, New York 10036

Morgan Stanley & Co. International Limited
Credit Suisse First Boston (Europe) Limited
Donaldson, Lufkin & Jenrette International
Merrill Lynch International
c/o Morgan Stanley & Co. International Limited
25 Cabot Square
Canary Wharf
London E14 4QA
ENGLAND

Dear Sirs and Mesdames:

Overnite Corporation, a Virginia corporation (the "COMPANY"), proposes to issue and sell to the several Underwriters, (as defined below) _____ shares of its Common Stock, par value \$.01 per share (the "FIRM

SHARES").

It is understood that, subject to the conditions hereinafter stated, _____ Firm Shares (the "U.S. FIRM SHARES") will be sold to the several U.S. Underwriters named in Schedule I hereto (the "U.S. UNDERWRITERS") in connection with the offering and sale of such U.S. Firm Shares in the United States and Canada to United States and Canadian Persons (as such terms are defined in the Agreement Between U.S. and International Underwriters of even date herewith), and _____ Firm Shares (the "INTERNATIONAL SHARES") will be sold to the several International Underwriters named in Schedule II hereto (the "INTERNATIONAL UNDERWRITERS") in connection with the offering and sale of such International Shares outside the United States and Canada to persons other than United States and Canadian Persons. Morgan Stanley & Co. Incorporated, Credit Suisse First Boston Corporation, Donaldson, Lufkin & Jenrette Securities Corporation and Merrill Lynch, Pierce, Fenner & Smith Incorporated shall act as representatives (the "U.S. REPRESENTATIVES") of the several U.S. Underwriters, and Morgan Stanley & Co. International Limited, Credit Suisse First Boston (Europe)

Limited, Donaldson, Lufkin & Jenrette International and Merrill Lynch International shall act as representatives (the "INTERNATIONAL REPRESENTATIVES") of the several International Underwriters. The U.S. Underwriters and the International Underwriters are hereinafter collectively referred to as the Underwriters.

The Company also proposes to issue and sell to the several U.S. Underwriters not more than an additional _____ shares of its Common Stock, par value \$.01 per share (the "ADDITIONAL SHARES"), if and to the extent that the U.S. Representatives shall have determined to exercise, on behalf of the U.S. Underwriters, the right to purchase such shares of common stock granted to the U.S. Underwriters in Section 3 hereof. The Firm Shares and the Additional Shares are hereinafter collectively referred to as the "SHARES". The shares of Common Stock, par value \$.01 per share, of the Company to be outstanding after giving effect to the sales contemplated hereby are hereinafter referred to as the "COMMON STOCK".

The Company has filed with the Securities and Exchange Commission (the "COMMISSION") a registration statement relating to the Shares. The registration statement contains two prospectuses to be used in connection with the offering and sale of the Shares: the U.S. prospectus, to be used in connection with the offering and sale of Shares in the United States and Canada to United States and Canadian Persons, and the international prospectus, to be used in connection with the offering and sale of Shares outside the United States and Canada to persons other than United States and Canadian Persons. The international prospectus is identical to the U.S. prospectus except for the outside front cover page. The registration statement as amended at the time it becomes effective, including the information (if any) deemed to be part of the registration statement at the time of effectiveness pursuant to Rule 430A under the Securities Act of 1933, as amended (the "SECURITIES ACT"), is hereinafter referred to as the "REGISTRATION STATEMENT"; the U.S. prospectus and the

international prospectus in the respective forms first used to confirm sales of Shares are hereinafter collectively referred to as the "PROSPECTUS". If the Company has filed an abbreviated registration statement to register additional shares of Common Stock pursuant to Rule 462(b) under the Securities Act (the "RULE 462 REGISTRATION STATEMENT"), then any reference herein to the term "Registration Statement" shall be deemed to include such Rule 462 Registration Statement.

In connection with the offering of the Shares contemplated hereby, the Company, Union Pacific Corporation, a Utah corporation ("UPC"), Overnite Holding, Inc., a

2

Delaware corporation and wholly owned subsidiary of UPC ("OHI"), and Overnite Transportation Company, a Virginia corporation and wholly owned subsidiary of OHI ("OTC"), have entered into the transactions described in the Prospectus under the caption "The Acquisition". Such transactions are referred to herein as the "ACQUISITION".

1. Representations and Warranties of the Company, OHI and OTC. The Company, OHI and OTC, jointly and severally, represent and warrant to and agree with each of the Underwriters that:

(a) The Registration Statement has become effective; no stop order suspending the effectiveness of the Registration Statement is in effect, and no proceedings for such purpose are pending before or threatened by the Commission.

(b) (i) The Registration Statement, when it became effective, did not contain and, as amended or supplemented, if applicable, will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, (ii) the Registration Statement and the Prospectus comply and, as amended or supplemented, if applicable, will comply in all material respects with the Securities Act and the applicable rules and regulations of the Commission thereunder and (iii) the Prospectus does not contain and, as amended or supplemented, if applicable, will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, except that the representations and warranties set forth in this paragraph do not apply to statements or omissions in the Registration Statement or the Prospectus based upon information relating to any Underwriter furnished to the Company or UPC in writing by such Underwriter through you expressly for use therein.

(c) The Company has been duly incorporated, is validly existing as a corporation in good standing under the laws of the jurisdiction of its incorporation, has the corporate power and authority to own its property and to conduct its business as described in the Prospectus and is duly

qualified to transact business and is in good standing in each jurisdiction in which the conduct of its business or its ownership or leasing of property requires such qualification, except to the extent that the failure to be so qualified or be in good standing would not have a

3

material adverse effect on the Company, OHI and OTC, taken as a whole.

(d) Each of OHI and OTC has been duly incorporated, is validly existing as a corporation in good standing under the laws of the jurisdiction of its incorporation, has the corporate power and authority to own its property and to conduct its business as described in the Prospectus and is duly qualified to transact business and is in good standing in each jurisdiction in which the conduct of its business or its ownership or leasing of property requires such qualification, except to the extent that the failure to be so qualified or be in good standing would not have a material adverse effect on the Company, OHI and OTC, taken as a whole; all of the issued shares of capital stock of OHI and OTC have been duly and validly authorized and issued, are fully paid and non-assessable and are owned directly or indirectly by the UPC, OHI or OTC, as applicable, free and clear of all liens, encumbrances, equities or claims.

(e) (i) The Company has no subsidiaries; and (ii) OTC is the only subsidiary of OHI.

(f) This Agreement has been duly authorized, executed and delivered by each of the Company, OHI and OTC.

(g) The authorized capital stock of the Company conforms as to legal matters to the description thereof contained in the Prospectus.

(h) Prior to the issuance of the Shares, (i) the Company has issued one hundred shares of its capital stock to [] in connection with the approval of certain share option plans (ii) has not agreed, orally or in writing, to issue or sell any shares of capital stock to any person, other than pursuant to this Agreement or as set forth in the Prospectus and (iii) has not conducted any business or incurred any liabilities other than as described in the Prospectus; upon the issuance of the Shares, the Company will have the capitalization as set forth in the Prospectus, and upon the borrowing of funds under the Bank Credit Facility (as defined in the Prospectus) to complete the Acquisition, as set forth in the Prospectus, the Company will have the adjusted capitalization shown therein.

(i) The Shares of the Company have been duly authorized and, when issued and delivered in accordance with the terms of this Agreement, will be validly

4

issued, fully paid and non-assessable, and the issuance of such Shares will not be subject to any preemptive or similar rights.

(j) Each of the Tax Allocation Agreement, Services Agreement, Stock Purchase and Indemnification Agreement, the Computer and Information Technology Agreements and Pension Plan Agreement (the "INTERCOMPANY AGREEMENTS") conforms to its description contained in the Prospectus and has been duly authorized by the Company, OHI and OTC, as applicable, and when duly executed and delivered by them, each will be a legal, valid and binding agreement of the Company, OHI and OTC enforceable against them in accordance with its respective terms.

(k) The execution and delivery by each of the Company, OHI and OTC of, and the performance by each of the Company, OHI and OTC of its obligations under, this Agreement and the Intercompany Agreements will not contravene any provision of applicable law or the articles of incorporation or by-laws of the Company, OHI or OTC or any agreement or other instrument binding upon the Company, OHI or OTC that is material to the Company, OHI and OTC, taken as a whole, or any judgment, order or decree of any governmental body, agency or court having jurisdiction over the Company, OHI or OTC, and no consent, approval, authorization or order of, or qualification with, any governmental body or agency is required for the performance by the Company, OHI or OTC of its obligations under this Agreement or pursuant to the Intercompany Agreements or in connection with the Acquisition, except such as may be required by the securities or Blue Sky laws of the various states in connection with the offer and sale of the Shares.

(l) There has not occurred any material adverse change, or any development involving a prospective material adverse change, in the condition, financial or otherwise, or in the earnings, business or operations of the Company, OHI and OTC, taken as a whole, from that set forth in the Prospectus (exclusive of any amendments or supplements thereto subsequent to the date of this Agreement).

(m) There are no legal or governmental proceedings pending or threatened to which the Company, OHI or OTC is a party or to which any of the properties of the Company, OHI or OTC is subject that are required to be described in the Registration Statement or the Prospectus and are not so described or any statutes, regulations, contracts or other documents that are

required to be described in the Registration Statement or the Prospectus or to be filed as exhibits to the Registration Statement that are not described or filed as required.

(n) Each preliminary prospectus filed as part of the registration

statement as originally filed or as part of any amendment thereto, or filed pursuant to Rule 424 under the Securities Act, complied when so filed in all material respects with the Securities Act and the applicable rules and regulations of the Commission thereunder.

(o) The Company is not and, after giving effect to the offering and sale of the Shares and the application of the proceeds thereof as described in the Prospectus, will not be an "investment company" as such term is defined in the Investment Company Act of 1940, as amended.

(p) The Company, OHI and OTC (i) are in compliance with any and all applicable foreign, federal, state and local laws and regulations relating to the protection of human health and safety, the environment or hazardous or toxic substances or wastes, pollutants or contaminants ("ENVIRONMENTAL LAWS"), (ii) have received all permits, licenses or other approvals required of them under applicable Environmental Laws to conduct their respective businesses and (iii) are in compliance with all terms and conditions of any such permit, license or approval, except where such noncompliance with Environmental Laws, failure to receive required permits, licenses or other approvals or failure to comply with the terms and conditions of such permits, licenses or approvals would not, singly or in the aggregate, have a material adverse effect on the Company, OHI and OTC, taken as a whole.

(q) Except as accounted for in the financial statements included in the Prospectus, there are no costs or liabilities associated with Environmental Laws (including, without limitation, any capital or operating expenditures required for clean-up, closure of properties or compliance with Environmental Laws or any permit, license or approval, any related constraints on operating activities and any potential liabilities to third parties) which would, singly or in the aggregate, have a material adverse effect on the Company, OHI and OTC, taken as a whole.

(r) There are no contracts, agreements or understandings between the Company and any person granting such person the right to require the Company

6

to file a registration statement under the Securities Act with respect to any securities of the Company or to require the Company to include such securities with the Shares registered pursuant to the Registration Statement.

(s) After giving effect to the Acquisition, (i) the Company will not own any equity interest, directly or indirectly, in any company or other entity other than OHI, which will be a direct wholly owned subsidiary of the Company, and OTC, which will be an indirect wholly owned subsidiary of the Company, (ii) OHI will not own any equity interest, directly or indirectly, in any company or other entity other than OTC, which will be a

direct wholly owned subsidiary of OHI and (iii) the Company and OHI will have good and valid title to the stock of OHI and OTC, respectively, free and clear of all liens, encumbrances, equities or claims.

(t) Subsequent to the respective dates as of which information is given in the Registration Statement and the Prospectus, (i) the Company, OHI and OTC have not incurred any material liability or obligation, direct or contingent, nor entered into any material transaction not in the ordinary course of business; and (ii) there has not been any material change in the capital stock, short-term debt or long-term debt of the Company, OHI and OTC, except in each case as described in the Prospectus.

(u) The Company, OHI and OTC have good and marketable title in fee simple to all real property and good and marketable title to all personal property owned by them which is material to the business of the Company, OHI and OTC, in each case free and clear of all liens, encumbrances and defects except such as are described in the Prospectus or such as do not materially affect the value of such property and do not interfere with the use made and proposed to be made of such property by the Company, OHI and OTC; and any real property and buildings held under lease by the Company, OHI and OTC are held by them under valid, subsisting and enforceable leases with such exceptions as are not material and do not interfere with the use made and proposed to be made of such property and buildings by the Company, OHI and OTC, in each case except as described in the Prospectus.

(v) The Company, OHI and OTC own or possess, or can acquire on reasonable terms, all material patents, patent rights, licenses, inventions, copyrights, know-how (including trade secrets and other unpatented

7

and/or unpatentable proprietary or confidential information, systems or procedures), trademarks, service marks and trade names currently employed by them in connection with the business now operated by them, and neither the Company; neither OHI nor OTC has received any notice of infringement of or conflict with asserted rights of others with respect to any of the foregoing which, singly or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would have a material adverse affect on the Company, OHI and OTC, taken as a whole.

(w) Except as described in the Prospectus, no material labor dispute with the employees of the Company, OHI or OTC exists, or, to the knowledge of the Company, is imminent.

(x) The Company, OHI and OTC are insured by the insurers of recognized financial responsibility against such losses and risks and in such amounts as are prudent and customary in the businesses in which they are engaged; neither the Company, OHI nor OTC has been refused any insurance coverage sought or applied for; and neither the Company, OHI nor

OTC has any reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business at a cost that would not have a material adverse effect on the Company, OHI and OTC, taken as a whole, except as described in the Prospectus.

(y) The Company, OHI and OTC possess all certificates, authorizations and permits issued by the appropriate federal, state or foreign regulatory authorities necessary to conduct their respective business in all material respects, and neither the Company, OHI nor OTC has received any notice of proceedings relating to the revocation or modification of any such certificate, authorization or permit which, singly or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would have a material adverse effect on the Company, OHI and OTC, taken as a whole, except as described the Prospectus.

(z) The Company, OHI and OTC maintain a system of internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorizations; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain asset accountability; (iii)

8

access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

2. Representations and Warranties of UPC. UPC represents and warrants to and agrees with each of the Underwriters that:

(a) The Registration Statement has become effective; no stop order suspending the effectiveness of the Registration Statement is in effect, and no proceedings for such purpose are pending before or threatened by the Commission.

(b) With respect only to the statements and information regarding UPC under the captions (i) "Prospectus Summary--Background to the Offering," (ii) "The Acquisition" and (iii) "Agreements with Union Pacific Corporation", or otherwise contained in the Prospectus and pertaining to UPC's ownership of the capital stock of OHI (such statements and information collectively, the "UPC Information"), (A) the Registration Statement, when it became effective, did not contain and, as amended or supplemented, if applicable, will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, (B) the Registration Statement and the Prospectus comply and, as amended or

supplemented, if applicable, will comply in all material respects with the Securities Act and the applicable rules and regulations of the Commission thereunder and (C) the Prospectus does not contain and, as amended or supplemented, if applicable, will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, except that the representations and warranties set forth in this paragraph do not apply to statements or omissions in the Registration Statement or the Prospectus based upon information relating to any Underwriter furnished to UPC in writing by such Underwriter through you expressly for use therein.

(c) Each of OHI and OTC has been duly incorporated, is validly existing as a corporation in good standing under the laws of the jurisdiction of its incorporation and has the corporate power and authority

9

to own its property and to conduct its business as described in the Prospectus.

(d) This Agreement has been duly authorized, executed and delivered by UPC.

(e) (i) The outstanding shares of common stock of OTC have been duly authorized and are validly issued, fully paid and non-assessable; and OHI has good and valid title to the stock of OTC, free and clear of all liens, encumbrances, equities or claims, and (ii) the outstanding shares of common stock of OHI have been duly authorized and are validly issued, fully paid and non-assessable; and UPC has good and valid title to the stock of OHI, free and clear of all liens, encumbrances, equities or claims.

(f) The Intercompany Agreements conform to their description contained in the Prospectus and have been duly authorized by UPC, and when duly executed and delivered by it, each will be a legal, valid and binding agreement of UPC, enforceable against it in accordance with its respective terms.

(g) The execution and delivery by UPC of, and the performance by UPC of its obligations under, this Agreement and the Intercompany Agreements will not contravene any provision of applicable law or the articles of incorporation or by-laws of UPC or any agreement or other instrument binding upon UPC or any of its subsidiaries (excluding OHI and OTC) that is material to UPC and its subsidiaries, taken as a whole, or any judgment, order or decree of any governmental body, agency or court having jurisdiction over UPC or any of its subsidiaries, and no consent, approval, authorization or order of, or qualification with, any governmental body or agency is required for the performance by UPC of its obligations under this Agreement or pursuant to the Intercompany Agreements or in connection with the Acquisition, except such as may be required by the securities or Blue

Sky laws of the various states in connection with the offer and sale of the Shares.

(h) There are no legal or governmental proceedings pending or threatened to which UPC or any of its subsidiaries (excluding OHI and OTC) is a party or to which any of the properties of UPC or any of its subsidiaries (excluding OHI and OTC) is subject that are required to be described in the Registration Statement or the Prospectus and are not so described or any statutes, regulations, contracts or other documents to which UPC is subject or by which UPC is bound that

10

are required to be described in the Registration Statement or the Prospectus or to be filed as exhibits to the Registration Statement that are not described or filed as required.

(i) There are no contracts, agreements or understandings between UPC and any person granting such person the right to require the Company to file a registration statement under the Securities Act with respect to any securities of the Company or to require the Company to include such securities with the Shares registered pursuant to the Registration Statement.

(j) UPC has full power and authority to transfer the stock of OHI to the Company in connection with the Acquisition, and the transfer of such stock has been duly authorized by all necessary corporate and stockholder action on the part of UPC, and upon the closing of the Acquisition, UPC will transfer all of the capital stock of OHI to the Company free and clear of all liens, encumbrances, equities or claims on the capital stock of OHI or OTC.

3. Agreements to Sell and Purchase. The Company hereby agrees to sell to the several Underwriters, and each Underwriter, upon the basis of the representations and warranties herein contained, but subject to the conditions hereinafter stated, agrees, severally and not jointly, to purchase from the Company the respective numbers of Firm Shares set forth in Schedules I and II hereto opposite its names at U.S.\$_____/1/ a share ("PURCHASE PRICE").

On the basis of the representations and warranties contained in this Agreement, and subject to its terms and conditions, the Company agrees to sell to the U.S. Underwriters the Additional Shares, and the U.S. Underwriters shall have a one-time right to purchase, severally and not jointly, up to _____ Additional Shares at the Purchase Price. If the U.S. Representatives, on behalf of the U.S. Underwriters, elect to exercise such option, the U.S. Representatives shall so notify the Company in writing not later than 30 days after the date of this Agreement, which notice shall specify the number of Additional Shares to be purchased by the U.S. Underwriters and the date on which such shares are to be purchased. Such date may be the same as the Closing Date (as defined below) but not earlier than the Closing Date nor later than ten

business days after the date of such notice. Additional Shares may be purchased as provided in Section 5 hereof

/1/ Offering price less underwriting fee, management fee and selling concession.

11

solely for the purpose of covering over-allotments made in connection with the offering of the U.S. Firm Shares. If any Additional Shares are to be purchased, each U.S. Underwriter agrees, severally and not jointly, to purchase the number of Additional Shares (subject to such adjustments to eliminate fractional shares as the U.S. Representatives may determine) that bears the same proportion to the total number of Additional Shares to be purchased as the number of U.S. Firm Shares set forth in Schedule I hereto opposite the name of such Underwriter bears to the total number of U.S. Firm Shares.

Each of the Company and UPC hereby agrees that, without the prior written consent of Morgan Stanley & Co. Incorporated on behalf of the Underwriters, it will not, during the period ending 180 days after the date of the Prospectus, except with respect to employee stock option plans in effect as of the date of this Agreement, (i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any shares of Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Common Stock, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Common Stock or such other securities, in cash or otherwise. The foregoing sentence shall not apply to the Shares to be sold hereunder.

4. Terms of Public Offering. The Company is advised by you that the Underwriters propose to make a public offering of their respective portions of the Shares as soon after the Registration Statement and this Agreement have become effective as in your judgment is advisable. The Company is further advised by you that the Shares are to be offered to the public initially at U.S.\$_____ a share (the "PUBLIC OFFERING PRICE") and to certain dealers selected by you at a price that represents a concession not in excess of U.S.\$_____ a share under the Public Offering Price, and that any Underwriter may allow, and such dealers may reallow, a concession, not in excess of U.S.\$_____ a share, to any Underwriter or to certain other dealers.

5. Payment and Delivery. Payment for the Firm Shares shall be made to the Company in Federal or other funds immediately available against delivery of such Firm Shares for the respective accounts of the several Underwriters at 10:00 a.m., New York City time, on

_____, 1998,/2/ or at such other time on the same or such other date, not later than _____, 1998,/3/ as shall be designated in writing by you. The time and date of such payment are hereinafter referred to as the "CLOSING DATE".

Payment for any Additional Shares shall be made to the Company in Federal or other funds immediately available against delivery of such Additional Shares for the respective accounts of the several Underwriters at 10:00 a.m., New York City time, on the date specified in the notice described in Section 3 or at such other time on the same or on such other date, in any event not later than _____, 1998,/4/ as shall be designated in writing by the U.S. Representatives. The time and date of such payment are hereinafter referred to as the "OPTION CLOSING DATE".

Certificates for the Firm Shares and Additional Shares shall be in definitive form and registered in such names and in such denominations as you shall request in writing not later than one full business day prior to the Closing Date or the Option Closing Date, as the case may be. The certificates evidencing the Firm Shares and Additional Shares shall be delivered to you on the Closing Date or the Option Closing Date, as the case may be, for the respective accounts of the several Underwriters, with any transfer taxes payable in connection with the transfer of the Shares to the Underwriters duly paid, against payment of the Purchase Price therefor.

6. Conditions to the Underwriters' Obligations. The obligations of the Company to sell the Shares to the Underwriters and the several obligations of the Underwriters to purchase and pay for the Shares on the Closing Date are subject to the condition that the Registration Statement, if not already effective, shall have become effective not later than 5 p.m. (New York City time) on the date hereof.

The several obligations of the Underwriters are subject to the following further conditions:

(a) Subsequent to the execution and delivery of this Agreement and prior to the Closing Date there shall not have occurred any change, or any development involving a prospective change, in the condition,

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- /2/ Date 3 business days or, in the event the offering is priced after 4:30 p.m. Eastern Time, 4 business days after date of Underwriting Agreement.
 - /3/ Date 5 business days after the date inserted in accordance with note 2 above.
 - /4/ Date 10 business days after the expiration of the greenshoe option.

financial or otherwise, or in the earnings, business or operations of (x)

the Company, or (y) OHI and OTC and its subsidiaries, taken as a whole, in each case from that set forth in the Prospectus (exclusive of any amendments or supplements thereto subsequent to the date of this Agreement) that, in your judgment, is material and adverse and that makes it, in your judgment, impracticable to market the Shares on the terms and in the manner contemplated in the Prospectus.

(b) The Underwriters shall have received on the Closing Date:

(i) certificates, dated the Closing Date and signed by (x) an executive officer of the Company, (y) an executive officer of OHI and (z) an executive officer of OTC, in each case to the effect set forth in Section 6(a) above and to the effect that the representations and warranties of the Company, OHI and OTC contained in this Agreement are true and correct as of the Closing Date and that the Company, OHI and OTC have complied with all of the agreements and satisfied all of the conditions on their part to be performed or satisfied hereunder on or before the Closing Date.

(ii) a certificate, dated the Closing Date and signed by an executive officer of UPC to the effect that the representations and warranties of the UPC contained in this Agreement are true and correct as of the Closing Date and that UPC has complied with all of the agreements and satisfied all of the conditions on its part to be performed or satisfied hereunder on or before the Closing Date.

The officers signing and delivering such certificates may each rely upon the best of his or her knowledge after reasonable investigation.

(c) The Underwriters shall have received on the Closing Date an opinion of Hunton & Williams, outside counsel for the Company, OHI and OTC, dated the Closing Date, to the effect that:

(i) the Company has been duly incorporated, is validly existing as a corporation in good standing under the laws of the jurisdiction of its incorporation, has the corporate power and authority to own its property and to conduct its business as described in the Prospectus and is duly qualified to transact business;

14

(ii) each of OHI and OTC is validly existing as a corporation in good standing under the laws of the jurisdiction of its incorporation and has the corporate power and authority to own its property and to conduct its business as described in the Prospectus;

(iii) the outstanding shares of common stock of OTC have been duly authorized and are validly issued, fully paid and non-assessable; [OHI has good and valid title to the stock of OTC, free and clear of all liens, encumbrances, equities or claims;]

(iv) the authorized capital stock of the Company conforms as to legal matters to the description thereof contained in the Prospectus;

(v) the Shares have been duly authorized and, when issued and delivered in accordance with the terms of this Agreement, will be validly issued, fully paid and non-assessable, and the issuance of such Shares will not be subject to any preemptive or similar rights;

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

(vii) the execution and delivery by each of the Company, OHI and OTC of, and the performance by each of the Company, OHI and OTC of its obligations under, this Agreement will not contravene any provision of applicable law or the certificate of incorporation or by-laws of the Company, OHI or OTC or, to such counsel's knowledge, any agreement or other instrument binding upon the Company, OHI or OTC that is material to the Company, OHI and OTC and its subsidiaries, taken as a whole, or, to the best of such counsel's knowledge, any judgment, order or decree of any governmental body, agency or court having jurisdiction over the Company, OHI or OTC, and no consent, approval, authorization or order of, or qualification with, any governmental body or agency is required for the performance by the Company, OHI or OTC of its obligations under this Agreement, except (A) such as have been obtained under the Securities Act, and (B) such as may be required by the securities or Blue Sky laws of the various states and foreign jurisdictions in connection with the offer and sale of the Shares by the U.S. Underwriters and International Underwriters;

15

(viii) the statements (A) in the Prospectus under the captions "Agreements with Union Pacific Corporation", "Description of Capital Stock" and "Underwriters", to the extent such section summarizes the terms of this Agreement, and (B) in the Registration Statement in Items 14 and 15, in each case insofar as such statements constitute summaries of the legal matters, documents or proceedings referred to therein, fairly present the information called for with respect to such legal matters, documents and proceedings and fairly summarize the matters referred to therein;

(ix) the Company is not and, after giving effect to the offering and sale of the Shares and the application of the proceeds thereof as described in the Prospectus, will not be an "investment company" as such term is defined in the Investment Company Act of 1940, as amended;

(x) each of the Intercompany Agreements has been duly authorized by the Company, OHI and OTC, and when executed and delivered by them,

each will be a legal, valid and binding agreement of the Company, OHI and OTC enforceable against them in accordance with its respective terms, subject, as to enforcement, to bankruptcy, insolvency, reorganization and other laws of general applicability relating to or affecting creditors' rights and to general equitable principles; and

(xi) such counsel (A) is of the opinion that the Registration Statement and Prospectus (except for financial statements and schedules and other financial and statistical data included therein as to which such counsel need not express any opinion) comply as to form in all material respects with the Securities Act and the applicable rules and regulations of the Commission thereunder, (B) has no reason to believe that (except for financial statements and schedules and other financial and statistical data as to which such counsel need not express any belief) the Registration Statement and the prospectus included therein at the time the Registration Statement became effective contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading and (C) has no reason to believe that (except for financial statements and schedules and other financial and statistical data as to which such counsel need not express any belief) the

16

Prospectus contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(xii) The Registration Statement became effective under the Securities Act on [], 1998, and thereupon the offering of the Shares as contemplated by the Prospectus became registered under the Securities Act; to our knowledge, no stop order suspending the effectiveness of the Registration Statement has been issued and no proceedings for that purpose have been instituted or are pending or contemplated under the Securities Act.

(d) The Underwriters shall have received on the Closing Date an opinion of the Senior Vice President and General Counsel or Assistant General Counsel of UPC or other counsel satisfactory to the U.S. Representatives, dated the Closing Date, to the effect that:

(i) UPC has good and valid title to the stock of OHI, free and clear of all liens, encumbrances, equities or claims;

(ii) this Agreement has been duly authorized, executed and delivered by UPC and OHI;

(iii) the execution and delivery by UPC of, and the performance

by UPC of its obligations under, this Agreement will not contravene any provision of applicable law or the certificate of incorporation or by-laws of UPC or, to such counsel's knowledge, any agreement or other instrument binding upon UPC or any of its subsidiaries (other than OHI or OTC or any of its subsidiaries) that is material to UPC and its subsidiaries, taken as a whole, or, to such counsel's knowledge, any judgment, order or decree of any governmental body, agency or court having jurisdiction over UPC or any of its subsidiaries (other than OHI or OTC or any of its subsidiaries), and no consent, approval, authorization or order of, or qualification with, any governmental body or agency is required for the performance by UPC of its obligations under this Agreement, except (A) such as have been obtained under the Securities Act, and (B) such as may be required by the securities or Blue Sky laws

17

of the various states in connection with the offer and sale of the Shares by the U.S. Underwriters;

(iv) the statements in the Prospectus under the caption "Agreements with Union Pacific Corporation" insofar as such statements constitute summaries of the documents referred to therein, fairly present the information called for with respect to such documents and fairly summarize the matters referred to therein;

(v) each of the Intercompany Agreements has been duly authorized, executed and delivered by UPC and is a legal, valid and binding agreement of UPC enforceable against it in accordance with its terms, subject, as to enforcement, to bankruptcy, insolvency, reorganization and other laws of general applicability relating to or affecting creditors' rights and to general equitable principles;

(vi) pursuant to the Stock Purchase and Indemnification Agreement, upon the closing of the Acquisition, UPC will transfer all of the capital stock of OHI to the Company free and clear of all liens, encumbrances, equities or claims on the capital stock of OHI or OTC arising through UPC; and

(vii) (A) such counsel is of the opinion that the Registration Statement, as of its effective date, and the Prospectus, as of its date and as of the date hereof, appeared on their face to be appropriately responsive in all material respects to the requirements of the Securities Act and the applicable rules and regulations of the Commission thereunder, (B) nothing has come to the attention of such counsel in the course of his participation in the preparation of the Registration Statement and Prospectus that caused him to believe that the Registration Statement, as of its effective date, or the Prospectus, as of its date and as of the date hereof, contain or contained any untrue statement of a material fact or omitted to state

any material fact required to be stated therein or necessary to make the statements therein not misleading.

(e) The Underwriters shall have received on the Closing Date an opinion of the General Counsel of OTC or other counsel satisfactory to the U.S. Representatives, dated the Closing Date, to the effect that:

18

(i) the statements in the Prospectus under the captions "Risk Factors--Disputes with Labor Organizations" (second and third paragraphs only) and "Business--Employees" (second paragraph only), "Risk Factors--Possible Adverse Effect of Governmental Policy and Regulations" (second paragraph only) and "Business--Environmental Regulation," insofar as such statements constitute summaries of the legal matters, documents or proceedings referred to therein, fairly present the information called for with respect to such legal matters, documents and proceedings and fairly summarize the matters referred to therein; and

(ii) after due inquiry, such counsel does not know of any legal or governmental proceedings pending or threatened to which the Company, OHI or OTC or any of its subsidiaries is a party or to which any of the properties of the Company, OHI or OTC or any of its subsidiaries is subject that are required to be described in the Registration Statement or the Prospectus and are not so described or of any statutes, regulations, contracts or other documents that are required to be described in the Registration Statement or the Prospectus or to be filed as exhibits to the Registration Statement that are not described or filed as required.

(f) The Underwriters shall have received on the Closing Date an opinion of Richards Layton & Finger, Delaware counsel to the Company, dated the Closing Date, to the effect that:

(i) the outstanding shares of common stock of OHI have been duly authorized and are validly issued, fully paid and non-assessable;

(ii) OHI has good and valid title to the stock of OTC, free and clear of all liens, encumbrances, equities or claims;

(iii) this Agreement has been duly authorized, executed and delivered by OHI; and

(iv) the execution and delivery by OHI of, and the performance by OHI of its obligations under, this Agreement will not contravene any provision of applicable law or the certificate of incorporation or by-laws of OHI.

19

(g) The Underwriters shall have received on the Closing Date an opinion of Cravath, Swaine & Moore, counsel for the Underwriters, dated the Closing Date, covering the matters referred to in Sections 6(c)(viii) (but only as to the statements in the Prospectus under "Description of Capital Stock" and "Underwriters") and 6(c)(xi) above.

With respect to the opinions covering matters stated in Section 6(c)(xi) above, Hunton & Williams, UPC counsel and Cravath, Swaine & Moore may state that their opinion and belief are based upon their participation in the preparation of the Registration Statement and Prospectus and any amendments or supplements thereto and review and discussion of the contents thereof, but are without independent check or verification, except as specified.

The opinion of (i) Hunton & Williams described in Section 6(c) above, (ii) the Senior Vice President and General Counsel or Assistant General Counsel of UPC or other counsel satisfactory to the U.S. Representatives described in Section 6(d) above and (iii) the opinion of the General Counsel of OTC or other counsel satisfactory to the U.S. Representatives described in Section 6(e) above shall be rendered to the Underwriters at the request of the Company, UPC or OTC, as the case may be and shall so state therein.

(g) The Underwriters shall have received, on each of the date hereof and the Closing Date, a letter dated the date hereof or the Closing Date, as the case may be, in form and substance satisfactory to the Underwriters, from Deloitte & Touche LLP, independent public accountants, containing statements and information of the type ordinarily included in accountants' "comfort letters" to underwriters with respect to the financial statements and certain financial information contained in the Registration Statement and the Prospectus; provided that the letter delivered on the Closing Date shall use a "cut-off date" not earlier than the date hereof.

(h) The "lock-up" agreements, each substantially in the form of Exhibit A hereto, between you and certain officers and directors of the Company relating to sales and certain other dispositions of shares of Common Stock or certain other securities, delivered to you on or before the date hereof, shall be in full force and effect on the Closing Date.

(i) The several obligations of the U.S. Underwriters to purchase Additional Shares hereunder

20

are subject to the delivery to the U.S. Representatives on the Option Closing Date of such documents as they may reasonably request with respect to the good standing of the Company, the due authorization and issuance of the Additional Shares and other matters related to the issuance of the Additional Shares.

7. Covenants of the Company and UPC. In further consideration of the agreements of the Underwriters herein contained, the Company and, with respect to paragraph (f) below, UPC, covenant with each Underwriter as follows:

(a) To furnish to you, without charge, five signed copies of the Registration Statement (including exhibits thereto) and for delivery to each other Underwriter a conformed copy of the Registration Statement (without exhibits thereto) and to furnish to you in New York City, without charge, as soon as practicable on the business day next succeeding the date of this Agreement and during the period mentioned in Section 7(c) below, as many copies of the Prospectus and any supplements and amendments thereto or to the Registration Statement as you may reasonably request.

(b) Before amending or supplementing the Registration Statement or the Prospectus, to furnish to you a copy of each such proposed amendment or supplement and not to file any such proposed amendment or supplement to which you reasonably object, and to file with the Commission within the applicable period specified in Rule 424(b) under the Securities Act any prospectus required to be filed pursuant to such Rule.

(c) If, during such period after the first date of the public offering of the Shares as in the opinion of counsel for the Underwriters the Prospectus is required by law to be delivered in connection with sales by an Underwriter or dealer, any event shall occur or condition exist as a result of which it is necessary to amend or supplement the Prospectus in order to make the statements therein, in the light of the circumstances when the Prospectus is delivered to a purchaser, not misleading, or if, in the opinion of counsel for the Underwriters, it is necessary to amend or supplement the Prospectus to comply with applicable law, forthwith to prepare, file with the Commission and furnish, at its own expense, to the Underwriters and to the dealers (whose names and addresses you will furnish to the Company) to which Shares may have been sold by you on behalf of the Underwriters and to any other dealers upon request, either amendments or supplements to the Prospectus so that the statements in the Prospectus as so amended or supplemented will not, in

21

the light of the circumstances when the Prospectus is delivered to a purchaser, be misleading or so that the Prospectus, as amended or supplemented, will comply with law.

(d) To endeavor to qualify the Shares for offer and sale under the securities or Blue Sky laws of such jurisdictions as you shall reasonably request.

(e) To make generally available to the Company's security holders and to you as soon as practicable an earning statement covering the twelve-month period ending September 30, 1999 that satisfies the provisions of

Section 11(a) of the Securities Act and the rules and regulations of the Commission thereunder.

(f) Whether or not the transactions contemplated in this Agreement are consummated or this Agreement is terminated, to pay or cause to be paid all expenses incident to the performance of its obligations under this Agreement, including: (i) the fees, disbursements and expenses of the Company's counsel and the Company's accountants in connection with the registration and delivery of the Shares under the Securities Act and all other fees or expenses in connection with the preparation and filing of the Registration Statement, any preliminary prospectus, the Prospectus and amendments and supplements to any of the foregoing, including all printing costs associated therewith, and the mailing and delivering of copies thereof to the Underwriters and dealers, in the quantities hereinabove specified, (ii) all costs and expenses related to the transfer and delivery of the Shares to the Underwriters, including any transfer or other taxes payable thereon, (iii) the cost of printing or producing any Blue Sky or Legal Investment memorandum in connection with the offer and sale of the Shares under state securities laws and all expenses in connection with the qualification of the Shares for offer and sale under state securities laws as provided in Section 7(d) hereof, including filing fees and the reasonable fees and disbursements of counsel for the Underwriters in connection with such qualification and in connection with the Blue Sky or Legal Investment memorandum, (iv) all filing fees and the reasonable fees and disbursements of counsel to the Underwriters incurred in connection with the review and qualification of the offering of the Shares by the National Association of Securities Dealers, Inc., (v) all fees and expenses in connection with the preparation and filing of the registration statement on Form 8-A relating to the Common Stock and all costs and expenses incident to listing the Shares on the Nasdaq

22

National Market, (vi) the cost of printing certificates representing the Shares, (vii) the costs and charges of any transfer agent, registrar or depositary, (viii) the costs and expenses of the Company relating to investor presentations on any "road show" undertaken in connection with the marketing of the offering of the Shares, including, without limitation, expenses associated with the production of road show slides and graphics, fees and expenses of any consultants engaged in connection with the road show presentations with the prior approval of the Company, travel and lodging expenses of the representatives and officers of the Company and any such consultants, and the cost of any aircraft chartered in connection with the road show, (ix) all expenses similar to those set forth in (i) through (viii) of this Section 7 in connection with any offer and sale of the Shares outside of the United States, including filing fees and the reasonable fees and disbursements of counsel for the Underwriters in connection with offers and sales outside of the United States, (x) all other costs and expenses incident to the performance of the obligations of the Company hereunder for which provision is not otherwise made in this

Section. It is understood, however, that except as provided in this Section, Section 8 entitled "Indemnity and Contribution," and the last paragraph of Section 10 below, the Underwriters will pay all of their costs and expenses, including fees and disbursements of their counsel, stock transfer taxes payable on resale of any of the Shares by them and any advertising expenses connected with any offers they may make.

8. Indemnity and Contribution. (a) (i) The Company agrees to indemnify and hold harmless each Underwriter and each person, if any, who controls any Underwriter within the meaning of either Section 15 of the Securities Act or Section 20 of the Securities Exchange Act of 1934, as amended (the "EXCHANGE ACT"), from and against any and all losses, claims, damages and liabilities (including, without limitation, any legal or other expenses reasonably incurred in connection with defending or investigating any such action or claim) caused by any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or any amendment thereof, any preliminary prospectus or the Prospectus (as amended or supplemented if the Company shall have furnished any amendments or supplements thereto), or caused by any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, except insofar as such losses, claims, damages or liabilities are caused by any such untrue statement or omission or alleged untrue

23

statement or omission based upon information relating to any Underwriter furnished to the Company in writing by such Underwriter through you expressly for use therein.

(b) UPC agrees to indemnify and hold harmless each Underwriter and each person, if any, who controls any Underwriter within the meaning of either Section 15 of the Securities Act or Section 20 of the Securities Exchange Act of 1934, as amended (the "EXCHANGE ACT"), from and against any and all losses, claims, damages and liabilities (including, without limitation, any legal or other expenses reasonably incurred in connection with defending or investigating any such action or claim) caused by any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or any amendment thereof, any preliminary prospectus or the Prospectus (as amended or supplemented if the Company shall have furnished any amendments or supplements thereto) or caused by any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, but, in each case, only insofar as such statement or omission relates to the UPC Information.

(c) Each Underwriter agrees, severally and not jointly, to indemnify and hold harmless the Company, its directors, its officers who sign the Registration Statement, UPC and each person, if any, who controls the Company or UPC within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act to the same extent as the foregoing indemnity from the Company and UPC to such Underwriter, but only with reference to information

relating to such Underwriter furnished to the Company or UPC in writing by such Underwriter through you expressly for use in the Registration Statement, any preliminary prospectus, the Prospectus or any amendments or supplements thereto.

(d) In case any proceeding (including any governmental investigation) shall be instituted involving any person in respect of which indemnity may be sought pursuant to Section 8(a), 8(b) or 8(c), such person (the "INDEMNIFIED PARTY") shall promptly notify the person against whom such indemnity may be sought (the "INDEMNIFYING PARTY") in writing and the indemnifying party may, and upon request of the indemnified party, shall, retain counsel reasonably satisfactory to the indemnified party to represent the indemnified party and any others the indemnifying party may designate in such proceeding and shall pay the fees and disbursements of such counsel related to such proceeding. In any such proceeding, any indemnified party shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such indemnified party unless (i) the

24

indemnifying party and the indemnified party shall have mutually agreed to the retention of such counsel or (ii) the named parties to any such proceeding (including any impleaded parties) include both the indemnifying party and the indemnified party and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. It is understood that the indemnifying party shall not, in respect of the legal expenses of any indemnified party in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the fees and expenses of more than one separate firm (in addition to any local counsel) for all such indemnified parties and that all such fees and expenses shall be reimbursed as they are incurred. The indemnifying party shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent or if there be a final judgment for the plaintiff, the indemnifying party agrees to indemnify the indemnified party from and against any loss or liability by reason of such settlement or judgment. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened proceeding in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party, unless such settlement includes an unconditional release of such indemnified party from all liability on claims that are the subject matter of such proceeding.

(e) To the extent the indemnification provided for in Section 8(a), 8(b) or 8(c) is unavailable to an indemnified party or insufficient in respect of any losses, claims, damages or liabilities referred to therein, then each indemnifying party under such paragraph, in lieu of indemnifying such indemnified party thereunder, shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (i) in such proportion as is appropriate to reflect the relative benefits received by the indemnifying party or parties on the one hand and the indemnified party or parties on the other hand from the offering of the Shares

or (ii) if the allocation provided by clause 8(e)(i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause 8(e)(i) above but also the relative fault of the indemnifying party or parties on the one hand and of the indemnified party or parties on the other hand in connection with the statements or omissions that resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative benefits received by the Company and UPC on the one hand and the Underwriters on the other hand in connection with the

25

offering of the Shares shall be deemed to be in the same respective proportions as the net proceeds from the offering of the Shares (before deducting expenses) received by the Company and the total underwriting discounts and commissions received by the Underwriters, in each case as set forth in the table on the cover of the Prospectus, bear to the aggregate Public Offering Price of the Shares. The relative fault of the Company and UPC on the one hand and the Underwriters on the other hand shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company and UPC or by the Underwriters and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Underwriters' respective obligations to contribute pursuant to this Section 8 are several in proportion to the respective number of Shares they have purchased hereunder, and not joint.

(f) The Company, UPC and the Underwriters agree that it would not be just or equitable if contribution pursuant to this Section 8 were determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation that does not take account of the equitable considerations referred to in Section 8(e). The amount paid or payable by an indemnified party as a result of the losses, claims, damages and liabilities referred to in the immediately preceding paragraph shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 8, no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Shares underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages that such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The remedies provided for in this Section 8 are not exclusive and shall not limit any rights or remedies which may otherwise be available to any indemnified party at law or in equity.

(g) The indemnity and contribution provisions contained in this

Section 8 and the representations, warranties and other statements of the Company and UPC contained in this Agreement shall remain operative and in

26

full force and effect regardless of (i) any termination of this Agreement, (ii) any investigation made by or on behalf of any Underwriter or any person controlling any Underwriter or by or on behalf of the Company, UPC, any of their officers or directors or any person controlling the Company or UPC and (iii) acceptance of and payment for any of the Shares.

9. Termination. This Agreement shall be subject to termination by notice given by you to the Company, if (a) after the execution and delivery of this Agreement and prior to the Closing Date (i) trading generally shall have been suspended or materially limited on or by, as the case may be, any of the New York Stock Exchange, the American Stock Exchange, the National Association of Securities Dealers, Inc., the Chicago Board of Options Exchange, the Chicago Mercantile Exchange or the Chicago Board of Trade, (ii) trading of any securities of the Company shall have been suspended on any exchange or in any over-the-counter market, (iii) a general moratorium on commercial banking activities in New York shall have been declared by either Federal or New York State authorities or (iv) there shall have occurred any outbreak or escalation of hostilities or any change in financial markets or any calamity or crisis that, in your judgment, is material and adverse and (b) in the case of any of the events specified in clauses 8(a)(i) through 8(a)(iv), such event, singly or together with any other such event, makes it, in your judgment, impracticable to market the Shares on the terms and in the manner contemplated in the Prospectus.

10. Effectiveness; Defaulting Underwriters. This Agreement shall become effective upon the execution and delivery hereof by the parties hereto.

If, on the Closing Date or the Option Closing Date, as the case may be, any one or more of the Underwriters shall fail or refuse to purchase Shares that it has or they have agreed to purchase hereunder on such date, and the aggregate number of Shares which such defaulting Underwriter or Underwriters agreed but failed or refused to purchase is not more than one-tenth of the aggregate number of the Shares to be purchased on such date, the other Underwriters shall be obligated severally in the proportions that the number of Firm Shares set forth opposite their respective names in Schedule I or Schedule II bears to the aggregate number of Firm Shares set forth opposite the names of all such non-defaulting Underwriters, or in such other proportions as you may specify, to purchase the Shares which such defaulting Underwriter or Underwriters agreed but failed or refused to purchase on such date; provided that in no event shall the number of Shares that any Underwriter has agreed to purchase pursuant to this Agreement be increased

27

pursuant to this Section 10 by an amount in excess of one-ninth of such number of Shares without the written consent of such Underwriter. If, on the Closing

Date, any Underwriter or Underwriters shall fail or refuse to purchase Firm Shares and the aggregate number of Firm Shares with respect to which such default occurs is more than one-tenth of the aggregate number of Firm Shares to be purchased, and arrangements satisfactory to you and the Company for the purchase of such Firm Shares are not made within 36 hours after such default, this Agreement shall terminate without liability on the part of any non-defaulting Underwriter or the Company. In any such case either you or the Company shall have the right to postpone the Closing Date, but in no event for longer than seven days, in order that the required changes, if any, in the Registration Statement and in the Prospectus or in any other documents or arrangements may be effected. If, on the Option Closing Date, any Underwriter or Underwriters shall fail or refuse to purchase Additional Shares and the aggregate number of Additional Shares with respect to which such default occurs is more than one-tenth of the aggregate number of Additional Shares to be purchased, the non-defaulting Underwriters shall have the option to (i) terminate their obligation hereunder to purchase Additional Shares or (ii) purchase not less than the number of Additional Shares that such non-defaulting Underwriters would have been obligated to purchase in the absence of such default. Any action taken under this paragraph shall not relieve any defaulting Underwriter from liability in respect of any default of such Underwriter under this Agreement.

If this Agreement shall be terminated by the Underwriters, or any of them, because of any failure or refusal on the part of the Company or UPC to comply with the terms or to fulfill any of the conditions of this Agreement, or if for any reason the Company or UPC shall be unable to perform its obligations under this Agreement, other than due to a default on the part of any Underwriter or the exercise of the Underwriters' right of termination under Section 9, the Company and UPC agree, jointly and severally, to reimburse the Underwriters or such Underwriters as have so terminated this Agreement with respect to themselves, for all out-of-pocket expenses (including the fees and disbursements of their counsel) reasonably incurred by such Underwriters in connection with this Agreement or the offering contemplated hereunder.

11. Counterparts. This Agreement may be signed in two or more counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

28

12. Applicable Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of New York.

13. Headings. The headings of the sections of this Agreement have been inserted for convenience of reference only and shall not be deemed a part of this Agreement.

Very truly yours,

OVERNITE CORPORATION

By: _____
Name:
Title:

OVERNITE HOLDING, INC.

By: _____
Name:
Title:

29

OVERNITE TRANSPORTATION COMPANY

By: _____
Name:
Title:

UNION PACIFIC CORPORATION

By: _____
Name:
Title:

Accepted as of the date hereof

MORGAN STANLEY & CO. INCORPORATED
CREDIT SUISSE FIRST BOSTON CORPORATION
DONALDSON, LUFKIN & JENRETTE
SECURITIES CORPORATION
MERRILL LYNCH, PIERCE, FENNER & SMITH
INCORPORATED

By: Morgan Stanley & Co. Incorporated

By: _____

Name:

Title:

MORGAN STANLEY & CO. INTERNATIONAL LIMITED
CREDIT SUISSE FIRST BOSTON (EUROPE) LIMITED
DONALDSON, LUFKIN & JENRETTE INTERNATIONAL
MERRILL LYNCH INTERNATIONAL

By: Morgan Stanley & Co. International Limited

By: _____

Name:

Title:

SCHEDULE I

U.S. UNDERWRITERS

UNDERWRITER	NUMBER OF FIRM SHARES TO BE PURCHASED
Morgan Stanley & U.S. Co. Incorporated	
Credit Suisse First Boston Corporation	
Donaldson, Lufkin & Jenrette	
Securities Corporation	
Merrill Lynch, Pierce, Fenner & Smith	
Incorporated	_____
Total U.S. Firm Shares.....	=====

SCHEDULE II

INTERNATIONAL UNDERWRITERS

UNDERWRITER	NUMBER OF FIRM SHARES TO BE PURCHASED
Morgan Stanley & Co. International Limited	
Credit Suisse First Boston (Europe) Limited	
Donaldson, Lufkin & Jenrette International	
Merrill Lynch International	_____
Total International Firm Shares.....	=====

32

EXHIBIT A

[FORM OF LOCK-UP LETTER]

_____, 1998

Morgan Stanley & Co. Incorporated
Credit Suisse First Boston Corporation
Donaldson, Lufkin & Jenrette
Securities Corporation
Merrill Lynch, Pierce, Fenner & Smith
Incorporated
c/o Morgan Stanley & Co. Incorporated
1585 Broadway
New York, NY 10036

Morgan Stanley & Co. International Limited
Credit Suisse First Boston (Europe) Limited
Donaldson, Lufkin & Jenrette International
Merrill Lynch International
c/o Morgan Stanley & Co. International Limited
25 Cabot Square
Canary Wharf
London E14 4QA
ENGLAND

Dear Sirs and Mesdames:

The undersigned understands that Morgan Stanley & Co. Incorporated

("MORGAN STANLEY") and Morgan Stanley & Co. International Limited ("MSIL") propose to enter into an Underwriting Agreement (the "UNDERWRITING AGREEMENT") with Overnite Corporation, a Virginia corporation (the "COMPANY") providing for the public offering (the "PUBLIC OFFERING") by the several Underwriters, including Morgan Stanley and MSIL (the "UNDERWRITERS") of 33,600,000 shares (the "SHARES") of the Common Stock, par value \$.01 per share, of the Company (the "COMMON STOCK").

To induce the Underwriters that may participate in the Public Offering to continue their efforts in connection with the Public Offering, the undersigned hereby agrees that, without the prior written consent of Morgan Stanley on behalf of the Underwriters, it will not, during the period commencing on the date hereof and ending 180 days after the date of the Prospectus (as defined in the Underwriting Agreement), except with respect to employee stock option plans in effect as of the date of the Underwriting Agreement, (1) offer, pledge, sell, contract to sell, sell any option or

33

contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any shares of Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock, or (2) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Common Stock, whether any such transaction described in clause (1) or (2) above is to be settled by delivery of Common Stock or such other securities, in cash or otherwise. The foregoing sentence shall not apply to (a) the sale of any Shares to the Underwriters pursuant to the Underwriting Agreement or (b) transactions relating to shares of Common Stock or other securities acquired in open market transactions after the completion of the Public Offering. In addition, the undersigned agrees that, without the prior written consent of Morgan Stanley on behalf of the Underwriters, it will not, during the period commencing on the date hereof and ending 180 days after the date of the Prospectus, make any demand for or exercise any right with respect to, the registration of any shares of Common Stock or any security convertible into or exercisable or exchangeable for Common Stock.

Whether or not the Public Offering actually occurs depends on a number of factors, including market conditions. Any Public Offering will only be made pursuant to an Underwriting Agreement, the terms of which are subject to negotiation between the Company and the Underwriters.

Very truly yours,

(Name)

(Address)

COMMON STOCK
COMMON STOCK
OVERNITE CORPORATION
INCORPORATED UNDER THE LAWS OF THE COMMONWEALTH OF VIRGINIA
CUSIP 690322 10 2
SEE REVERSE FOR
CERTAIN DEFINITIONS
THIS CERTIFIES THAT
is the owner of
FULLY PAID AND NON-ASSESSABLE SHARES OF THE COMMON STOCK OF \$.01 PAR
VALUE EACH OF
OVERNITE CORPORATION
transferable on the books of the Corporation by the owner hereof in person or by
duly authorized attorney upon surrender of this certificate
properly endorsed.

This certificate is not valid unless countersigned by a Transfer Agent and
registered by a Registrar.

WITNESS the facsimile seal of the Corporation and the facsimile signatures
of its duly authorized officers.

Dated:

SECRETARY

CHIEF EXECUTIVE OFFICER AND PRESIDENT

COUNTERSIGNED AND REGISTERED:

FIRST UNION NATIONAL BANK

(Charlotte, N.C.)

TRANSFER AGENT

AND REGISTRAR

BY

AUTHORIZED SIGNATURE

OVERNITE CORPORATION

THE CORPORATION WILL FURNISH TO ANY SHAREHOLDER UPON REQUEST IN WRITING TO
THE OFFICE OF THE CORPORATION IN RICHMOND, VIRGINIA AND WITHOUT CHARGE, A FULL
STATEMENT OF THE DESIGNATIONS, PREFERENCES, LIMITATIONS AND RELATIVE RIGHTS OF
THE SHARES OF EACH CLASS AUTHORIZED TO BE ISSUED AND THE VARIATIONS IN THE
RELATIVE RIGHTS, LIMITATIONS AND PREFERENCES BETWEEN THE SHARES OF EACH SERIES
OF ANY CLASS AUTHORIZED TO BE ISSUED IN SERIES, SO FAR AS THE SAME HAVE BEEN
FIXED AND DETERMINED, AND THE AUTHORITY OF THE BOARD OF DIRECTORS TO FIX AND
DETERMINE THE RELATIVE RIGHTS AND PREFERENCES OF FUTURE SERIES OR CLASSES.

The following abbreviations, when used in the inscription on the face of this
certificate, shall be construed as though they were written out in full

according to applicable laws or regulations:

TEN COM-

TEN ENT-

JT TEN-

as tenants in common

as tenants by the entirety

as joint tenants with right of

survivorship and not as tenants

in common

UNIF GIFT MIN ACTu

Custodian

(Cust)

(Minor)

under Uniform Gifts to Minors Act

(State)

UNIF TRAN MIN ACTu

Custodian

(Cust)

(Minor)

under Uniform Transfers to Minors Act

(State)

Additional abbreviations may also be used though not in the above list.

For value received, hereby sell, assign and transfer unto

PLEASE INSERT SOCIAL SECURITY OR OTHER

IDENTIFYING NUMBER OF ASSIGNEE

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING ZIP CODE, OF ASSIGNEE)

Shares

of the capital stock represented by the within Certificate, and do

hereby irrevocably constitute and appoint

Attorney

to transfer the said stock on the books of the within-named Corporation with

full power of substitution in the premises.

Dated

NOTICE:

THE SIGNATURE TO THIS ASSIGNMENT MUST CORRESPOND WITH THE NAME AS WRITTEN UPON THE FACE OF

THE CERTIFICATE IN EVERY PARTICULAR, WITHOUT ALTERATION OR ENLARGEMENT OR ANY CHANGE WHATSOEVER.

SIGNATURE(S) GUARANTEED:

THE SIGNATURE(S) SHOULD BE GUARANTEED BY AN ELIGIBLE GUARANTOR INSTITUTION (BANKS, STOCKBROKERS, SAVINGS AND LOAN ASSOCIATIONS AND CREDIT UNIONS WITH MEMBERSHIP IN AN APPROVED SIGNATURE GUARANTEE MEDALLION PROGRAM), PURSUANT TO S.E.C. RULE 17Ad-15.

KEEP THIS CERTIFICATE IN A SAFE PLACE. IF IT IS LOST, STOLEN, MUTILATED OR DESTROYED, THE CORPORATION WILL REQUIRE A BOND OF INDEMNITY AS A CONDITION TO THE ISSUANCE OF A REPLACEMENT CERTIFICATE.

[Letterhead of Hunton & Williams]

File No.: 22222.8
Direct Dial: (804) 778-8200

July 21, 1998

Board of Directors
Overnite Corporation
1000 Semmes Avenue
Richmond, Virginia 23218

OVERNITE CORPORATION
Registration Statement on Form S-1 (No. 333-53169)

Gentlemen:

We are acting as counsel for Overnite Corporation (the "Company") in connection with its Registration Statement on Form S-1, and any amendments thereto (the "Registration Statement"), as filed with the Securities and Exchange Commission, with respect to 36,960,000 shares of the Company's Common Stock, \$0.01 par value per share (the "Shares"), which are proposed to be offered and sold by the Company as described in the Registration Statement. In connection with the filing of the Registration Statement, you have requested our opinion concerning certain corporate matters.

In rendering this opinion, we have relied upon, among other things, our examination of such records of the Company and certificates of its officers and of public officials as we have deemed necessary.

Based upon the foregoing, we are of the opinion that:

1. The Company is a corporation duly incorporated, validly existing and in good standing under the laws of the Commonwealth of Virginia.
2. The Shares covered by the Registration Statement have been duly authorized and, when such shares have been issued as described in the Registration Statement, will be legally issued, fully paid and non-assessable.

We consent to the filing of this opinion with the Securities and Exchange Commission as an exhibit to the Registration Statement and to the statement made in reference to this firm under the caption "Legal Matters" in the Prospectus included therein. In giving this consent, we do not admit that we are within the category of persons whose consent is required by Section 7 of the Securities

Act of 1933 or the rules and regulations promulgated thereunder by the Securities and Exchange Commission.

Board of Directors

July 20, 1998

Page 2

Very truly yours,

CREDIT AGREEMENT

among

Overnite Corporation
and
Overnite Transportation Company
as Borrowers

and

The Lenders From Time
To Time Parties Hereto,
as Lenders

with

Crestar Bank,
as Agent

Dated as of August __, 1998

TABLE OF CONTENTS

<TABLE>		
<S>		<C>
ARTICLE I	DEFINITIONS AND ACCOUNTING TERMS.....	1
Section 1.1	Definitions.....	1
Section 1.2	Accounting Terms.....	20
Section 1.3	Time Period Computations.....	20
ARTICLE II	GENERAL PROVISIONS OF REVOLVING CREDIT FACILITY.....	20
Section 2.1	The Revolving Loans.....	20
Section 2.2	Revolving Loan Borrowing Procedures.....	21
Section 2.3	Standby Letters of Credit.....	24
Section 2.4	Swing Line Loan Subfacility.....	29
ARTICLE III	INTEREST, FEES AND REPAYMENT.....	32
Section 3.1	Interest on the Revolving Loans.....	32
Section 3.2	Regulatory Changes.....	32
Section 3.3	Interest After Due Date.....	33
Section 3.4	Payment and Computations.....	33
Section 3.5	Payment at Maturity.....	36
Section 3.6	Prepayments; Certain Early Repayments.....	36
Section 3.7	Facility Fee, Administrative Fee, and Letter of Credit Fees.....	37
Section 3.8	LIBOR Conversion.....	38
Section 3.9	Breakage, etc.....	39
ARTICLE IV	CONDITIONS PRECEDENT.....	40
Section 4.1	Conditions Precedent.....	40
Section 4.2	Further Conditions Precedent to Loans and Standby Letters of Credit.....	42
ARTICLE V	REPRESENTATIONS.....	43
Section 5.1	Existence, Power and Authority.....	43
Section 5.2	Authorization; Enforceable Obligations....	44
Section 5.3	No Legal Bar.....	44

Section 5.4	Consents.....	44
Section 5.5	Litigation.....	45
Section 5.6	No Default.....	45
Section 5.7	Financial Condition.....	45
Section 5.8	Use of Proceeds.....	45
Section 5.9	Borrowers Not Investment Companies.....	46
Section 5.10	Taxes.....	46

</TABLE>

<TABLE>		
<S>		
Section 5.11	Subsidiaries.....	46
Section 5.12	Permits, Licenses, Etc.....	46
Section 5.13	Compliance With Laws.....	47
Section 5.14	OHI.....	48
Section 5.15	Amounts Owed to or from Affiliates; Intercompany Agreements.....	48
Section 5.16	Maintenance of Insurance.....	48
Section 5.17	Properties.....	49
Section 5.18	Change.....	49
Section 5.19	Outstanding Letters of Credit, Suretyship Agreements and Similar Arrangements.....	49
Section 5.20	Disclosure Generally.....	49
Section 5.21	Year 2000 Compliance.....	49

ARTICLE VI COVENANTS.....	50
Section 6.1 Affirmative Covenants.....	50
(a) Information.....	50
(i) Audited Annual Financials.....	50
(ii) Quarterly Financial Statements.....	50
(iii) Exchange Act and Securities Act Filings..	51
(iv) No Default.....	51
(v) Compliance.....	51
(vi) ERISA.....	51
(vii) Material Changes.....	51
(viii) Other Information.....	52
(b) Financial Covenants.....	52
(i) Consolidated Indebtedness to Consolidated Cash Flow Ratio.....	52
(ii) Consolidated Fixed Charge Ratio.....	52
(iii) Consolidated Tangible Net Worth Ratio....	52
(c) Proceeds.....	53
(d) Payment of Debts and Taxes.....	53
(e) ERISA.....	53
(f) Conduct and Maintenance of Business.....	53
(g) Preservation of Corporate Existence.....	54
(h) Books and Records.....	54
(i) Insurance.....	54
(j) Compliance with Laws.....	54
(k) Compliance with Loan Documents.....	54
(l) Lending Relationship with the Agent.....	54
(n) Notice of Default.....	55

</TABLE>

<TABLE>		
<S>		
(o) Notice of Environmental Claims.....	55	
(p) Payments Pari Passu.....	55	
(q) Year 2000 Compliance.....	55	
(r) Further Assurances.....	55	
Section 6.2 Negative Covenants.....	55	
(a) Liens.....	56	
(b) Indebtedness.....	56	

(c)	Capital Stock.....	57
(d)	Loans.....	57
(e)	No Merger or Acquisition.....	58
(f)	Accounting Policies; Fiscal Year.....	59
(g)	Disposition of Assets.....	59
(h)	Permitted Investments.....	59
ARTICLE VII	EVENTS OF DEFAULT.....	59
Section 7.1	Events of Default.....	59
ARTICLE VIII	THE AGENT.....	62
Section 8.1	Appointment of Agent.....	62
Section 8.2	Nature of Duties; Non-Reliance on Agent and other Lenders.....	63
Section 8.3	Rights, Exculpation, Etc.....	64
Section 8.4	Reliance; Notice of Default.....	65
Section 8.5	Indemnification.....	66
Section 8.6	The Agent Individually.....	66
Section 8.7	Successor Agent; Resignation of Agent.....	66
Section 8.8	Certain Matters Requiring the Consent of all Lenders.....	67
Section 8.9	Defaulting Lenders Vote Not Counted.....	68
ARTICLE IX	MISCELLANEOUS.....	69
Section 9.1	Amendments and Waivers; Cumulative Remedies.....	69
Section 9.2	Survival of Representations and Warranties.....	69
Section 9.3	Supervening Illegality.....	69
Section 9.4	No Reduction in Payments.....	70
Section 9.5	Stamp Taxes.....	70
Section 9.6	Notices.....	70
Section 9.7	Governing Law.....	72
Section 9.8	Successors and Assigns; Participations; Assignments.....	72
Section 9.9	Affirmative Rate of Interest Permitted by Law.....	73

</TABLE>

<TABLE>		
<S>		<C>
Section 9.10	Costs and Expenses; Indemnification.....	74
Section 9.11	Set-Off; Suspension of Payment and Performance.....	75
Section 9.12	Sharing of Collections, Proceeds and Set-Offs; Application of Payments.....	75
Section 9.13	Lenders' Obligations Several; Independent Nature of Lenders' Rights.....	77
Section 9.14	Judicial Proceedings; Waiver of Jury Trial.....	77
Section 9.15	Integration.....	78
Section 9.16	Further Acts and Assurances.....	78
Section 9.17	No Fiduciary Relationship.....	78
Section 9.18	Severability.....	78
Section 9.19	Counterparts.....	78
Section 9.20	Headings, Bold Type and Table of Contents..	79
Schedule I	- Lender Commitments.....	v
Schedule 1.1	- Existing Liens.....	v
Schedule 5.5	- Litigation.....	v
Schedule 5.6	- Defaults.....	v
Schedule 5.11	- Subsidiaries.....	v
Schedule 5.15	- Intercompany Debts and Intercompany Agreements.....	v

Schedule 5.19	- Letters of Credit, Suretyship Agreements and Similar Arrangements.....	v
Exhibit A	Form of Revolving Note.....	v
Exhibit B	Form of Swing Line Note.....	v
Exhibit C	Form of Borrowing Notice.....	v

</TABLE>

CREDIT AGREEMENT

THIS CREDIT AGREEMENT, dated as of August __, 1998 (as amended, modified, or otherwise supplemented from time to time, this "Agreement"), is by and among (i) OVERNITE CORPORATION, a Virginia corporation ("Parent Borrower"), and OVERNITE TRANSPORTATION COMPANY, a Virginia corporation ("Operating Borrower") (collectively, the "Borrowers"), (ii) THE LENDERS FROM TIME TO TIME PARTIES TO THIS AGREEMENT (each, a "Lender" and, collectively, the "Lenders") and (iii) CRESTAR BANK, a Virginia banking corporation in its separate capacity as agent for the Lenders hereunder (in such capacity, the "Agent").

W I T N E S S E T H:

- - - - -

WHEREAS, the Borrowers have requested the Lenders to make available to the Borrowers a revolving line of credit for loans and letters of credit up to an aggregate of \$200,000,000 for the purpose of Parent Borrower's acquisition of Overnite Holding, Inc. and Operating Borrower from Union Pacific Corporation and working capital and other requirements of the Borrowers, in each case upon the terms and conditions set forth herein; and

WHEREAS, the Lenders are willing to make the loans and issue the letters of credit to the Borrowers, and the Agent is willing to act as "Agent", upon the terms and subject to the conditions and provisions set forth herein;

NOW, THEREFORE, in consideration of the premises and mutual covenants and agreements herein contained, the Borrowers, the Lenders and the Agent hereby agree as follows:

ARTICLE I

DEFINITIONS AND ACCOUNTING TERMS

Section I.1 Definitions. As used in this Agreement, and unless the context requires a different meaning, the following terms shall have the meanings indicated (such meanings to be, when appropriate, equally applicable to both the singular and plural forms of the terms defined):

"Accumulated Funding Deficiency" has the meaning ascribed to that term in ERISA Section 302.

"Administrative Fee" has the meaning specified in Section 3.7(b) of this Agreement.

"Administrative Fee Letter" has the meaning specified in Section 3.7(b) hereof, and shall include any amendment, modification or supplement thereof.

"Affected Advance" has the meaning specified in Section 3.8(d) of this Agreement.

"Affiliate" means, with respect to a Person, any other Person that,

 directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such first Person. For purposes of this definition, "control" (including, with correlative meanings, the terms "controlling", "controlled by" or "under common control with"), as applied to any Person, means the possession, directly or indirectly, of the power to vote 10% or more of the securities having voting power for the election of directors of such Person or otherwise to direct or cause the direction of the management and policies of that Person, whether through the ownership of voting securities or by contract or otherwise.

"Agent" has the meaning specified in the preamble of this Agreement

and shall include any successor Agent appointed pursuant to Section 8.7 of this Agreement.

"Agent Lending Office" or "Lending Office of the Agent" means the

Agent's offices at Crestar Bank, 919 East Main Street, Richmond, VA 23219, Attention: Keith A. Hubbard, or such other office in the United States of America of Agent as it may from time to time designate to the Borrowers or the Lenders by written notice.

"Aggregate Commitment" means \$200,000,000.00.

"Agreement" has the meaning specified in the preamble of this

 Agreement.

"Applicable Facility Fee" means, for any period, a facility fee

(stated in basis points) determined based upon the Borrowers' Consolidated Leverage Ratio, as set forth below:

<TABLE>
 <CAPTION>

Consolidated Leverage Ratio	Applicable Facility Fee (basis points)
less than 2.5	17.5
less than 2.0 more than 2.5	15
less than 1.5 more than 2.0	12.5
less than 1.0 more than 1.5	10
more than 1.0	8.5

</TABLE>

"Applicable LIBOR Margin" means, for any period, a number of basis

points, based upon the Borrowers' Consolidated Leverage Ratio, as set forth below:

<TABLE>
 <CAPTION>

Consolidated Leverage Ratio	Applicable LIBOR Margin (basis points)
less than 2.5	65.5
less than 2.0 more than 2.5	53

less than 1.5 more than 2.0	46.5
less than 1.0 more one 1.5	41
more than 1.0	35.5

</TABLE>

"Applicable LIBOR Rate" means, for any period, LIBOR plus the

Applicable LIBOR Margin.

"Authorized Officer" means any of the Chief Executive Officer, Chief

Financial Officer or Treasurer of any Person which is a corporation,
partnership, or other business organization.

"Bank Governmental Body" means (a) the United States of America or any

State thereof or any department, agency, commission, board, bureau or
instrumentality of the United States of America or any State thereof, and
(b) any quasi-governmental authority, agency or authority (including any
central bank) exercising regulatory authority over the Lenders pursuant to
applicable law in respect of the transactions contemplated by this
Agreement.

3

"Bankruptcy Code" means Title 11 of the United States Code or any

similar or successor federal law for the relief of debtors, as the same may
be amended from time to time.

"Base Rate" means the higher of (a) the Prime Rate and (b) the Federal

Funds Rate plus 0.50%.

"Base Rate Period" means any 30-day period in respect of which

interest accrues on the Revolving Loans bearing interest at the Base Rate.

"Benefit Plan" means any employee benefit plan (including a

Multiemployer Benefit Plan), the funding requirements of which (under ERISA
Section 302 or Section 412 of the Code) are, or at any time within five
years immediately preceding the time in question were, in whole or in part,
the responsibility of the Borrowers or an ERISA Affiliate.

"Borrowers" means Parent Borrower and Operating Borrower.

"Borrowers' Account" means the bank account of the Borrowers

maintained with the Agent for general purposes and assigned the account
number designated by the Agent in writing to the Borrowers.

"Borrowing Notice" has the meaning specified in Section 2.2(a) of this

Agreement.

"Breakage Period" has the meaning specified in Section 3.9 of this

Agreement.

"Business Day" means any day on which commercial banks are open for

business (and not required or authorized by law to close) in Richmond,
Virginia.

"Capital Expenditures" means all expenditures classified as capital

expenditures in accordance with GAAP.

"Capital Lease" of any Person means any lease of any property (whether

real, personal or mixed) by such Person (as lessee or guarantor or other
surety) which would, in accordance with GAAP, be required to be classified
and accounted for as a capital lease on a balance sheet of such Person.

"Capital Stock" means any and all shares, interests, participations or

other equivalents (however designated) of capital stock of a corporation,
any and all

4

equivalent ownership interests in a Person other than a corporation, and
any and all warrants or options to purchase any of the foregoing.

"Cash Equivalents" means securities or other instruments of the type

described in (i) clauses (a) and (b) of the definition of Permitted
Investment, provided such obligations have a maturity of not more than

twelve (12) months from the date purchased, (ii) clause (c) of the
definition of Permitted Investment, provided such instruments have a

maturity of not more than 270 days from the date purchased, and (iii)
clause (d) of the definition of Permitted Investment, provided such

commercial paper has a maturity of not greater than six (6) months from the
date purchased.

"Change in Control" means one or more of the following events:

(a) if any Person (including a person as defined in Section 3(a)(9),
Section 13(d) or Section 14(d) of the Exchange Act) is or becomes the owner
or beneficial owner, directly or indirectly, of securities of the Parent
Borrower representing fifty percent (50%) or more of the combined voting
power of the Parent Borrower's then outstanding securities (the term
"beneficial owner" as used herein shall include but not be limited to any
person with the attributes or interests described in Rule 13d-3 (as now in
effect or as amended) promulgated under the Exchange Act); or

(b) (i) the shareholders of the Parent Borrower approve one or more
mergers, consolidations or combinations of the Parent Borrower with any
other corporations or entities which, if consummated prior to the Maturity
Date, would result in (x) the voting securities of the Parent Borrower
outstanding the day following the Effective Date (together with any voting
securities issued by the Parent Borrower permitted under Section 6.2(c)
herein) representing less than 50% of the combined voting power of the
voting securities of the Parent Borrower or such surviving entity
immediately after consummation of any such merger, consolidation or
combination, or (y) after giving effect to such merger, consolidation or
combination, a change in the person holding the Office of Chief Executive
Officer, President, Chief Operating Officer or Chief Financial Officer of
the Parent Borrower relative to the person holding such respective office
immediately prior to giving effect to such merger, consolidation or
combination, or (ii) the shareholders of the Parent Borrower approve a plan
of liquidation of the Parent Borrower or an agreement for the sale,
disposition or transfer by the Parent Borrower of all or substantially all
the assets of the Borrowers and their Consolidated Subsidiaries.

5

"Code" means the Internal Revenue Code of 1986, as amended from time

to time, and any successor Federal statute.

"Commitment" means, with respect to each Lender's commitment to make

Revolving Loans and to issue (or participate in the issuance of) Standby
Letters of Credit, the aggregate Dollar amount set forth on Schedule I
hereto opposite such Lender's name under the heading "Commitment" or
assigned to it in accordance with Section 9.8(c), as such amount may be
reduced or otherwise adjusted from time to time in accordance with the
provisions of this Agreement.

"Consolidated Cash Flow" means, as computed at any time and from time

to time, the sum of the Borrowers' and their Consolidated Subsidiaries'
Consolidated Net Income plus income taxes (other than income taxes excluded
from the definition of Consolidated Net Income), interest charges,
depreciation, amortization expenses (including amortization of goodwill)
and the amount of all rental expenses under operating leases, in each case
to the extent such items are taken into account in determining Consolidated
Net Income.

"Consolidated Indebtedness" means Indebtedness of the Borrowers and

their Consolidated Subsidiaries, as determined in accordance with GAAP.

"Consolidated Leverage Ratio" means the ratio of Consolidated

Indebtedness to Consolidated Cash Flow.

"Consolidated Net Income" means, for any period, the consolidated net

income of the Borrowers and their Consolidated Subsidiaries for any period,
as determined in accordance with GAAP, provided that there shall be

excluded therefrom (a) the net income (or deficit) of any Person accrued
prior to the date it becomes a Consolidated Subsidiary or is merged into or
consolidated with Borrowers or any Consolidated Subsidiary except mergers
accounted for under the pooling of interests method, (b) the net income (or
deficit) of any Person (other than a Consolidated Subsidiary) in which
Borrowers or any Consolidated Subsidiary have an ownership interest, except
to the extent that Borrowers or such Consolidated Subsidiary have received,
or have the right to receive, such income, (c) the undistributed earnings
of any Subsidiary to the extent that the declaration or payment of
dividends or similar distributions by such Subsidiary is not at the time
permitted by the terms of any contractual obligation or requirement of law
applicable to such Subsidiary, (d) any aggregate net gain or loss during
such period arising from the sale, exchange or other disposition of capital
assets (such term to include all fixed assets, whether tangible or

6

intangible, all inventory sold in conjunction with the disposition of fixed
assets and all securities) other than in the ordinary and usual course of
its business, net of any related provision for taxes, (e) any write-up or
write-down of any asset net of any related provision for taxes, (f) any net
gain from the collection of the proceeds of life insurance policies, (g)
any gain arising from the acquisition of any securities, or the
extinguishment, under GAAP, of any Indebtedness of Borrowers or any
Subsidiary, (h) any extraordinary gain or loss, realized during such
period, net of any related provision for taxes, (i) in the case of a
successor to Parent Borrower by consolidation or merger or as a transferee
of its assets, any net income or loss of the successor corporation prior to
such consolidation, merger or transfer of assets, and (j) any deferred
credit representing the excess of equity in any Subsidiary at the date of
acquisition over the cost of the investment in such Subsidiary.

"Consolidated Net Worth" means, as computed at any time and from time

to time, the excess of Consolidated Total Assets over Consolidated Total
Liabilities.

"Consolidated Subsidiary" means with respect to any Person, at any

time, any Subsidiary or other Person the accounts of which are consolidated
with those of such first Person in its consolidated financial statements as
of such time prepared in accordance with GAAP.

"Consolidated Tangible Net Worth" means, as to the Borrowers and their

Consolidated Subsidiaries at any date of determination thereof, the sum at
such time of: the Consolidated Net Worth of the Borrowers and their
Consolidated Subsidiaries less, with respect to the Borrowers and their
Consolidated Subsidiaries, the total of (a) all assets which would be
classified as intangible assets under GAAP consistently applied and (b) any
revaluation or other write-up in book value of assets following September
30, 1998.

"Consolidated Total Assets" means all assets of the Borrowers and

their Subsidiaries, computed at any time and from time to time on a
consolidated basis, which would be classified, in accordance with GAAP, as
total assets of a corporation conducting a business the same as, or similar
in nature to, the business conducted by the Borrowers and their
Subsidiaries.

"Consolidated Total Liabilities" means all liabilities of the

Borrowers and their Subsidiaries, computed at any time and from time to
time on a consolidated basis, which would be classified, in accordance with
GAAP, as total liabilities of a

7

corporation conducting a business the same as, or similar in nature to, the
business conducted by the Borrowers and their Subsidiaries.

"Credit Agreement Related Claim" means any claim (whether civil,

criminal or administrative and whether sounding in tort, contract or
otherwise) in any way arising out of, related to, or connected with, this
Agreement or any other Loan Document or the relationships established
hereunder or thereunder.

"Default Rate" means the rate of interest applicable under Section 3.3

of this Agreement from time to time.

"Dollars", "U.S.\$" and the sign "\$" mean such coin or currency of the

United States of America as at the time shall constitute legal tender for
the payment of public and private debts.

"Drawing" has the meaning specified in Section 2.3(e) of this

Agreement.

"Effective Date" has the meaning specified in Section 4.1 of this

Agreement.

"Environmental Control Statutes" shall mean each and every applicable

federal, state, county or municipal statute, ordinance, rule, regulation, order, directive or requirement, together with all successor statutes, ordinances, rules, regulations, orders, directives or requirements, of any Governmental Authority, including without limitation laws in any way related to Hazardous Substances.

"ERISA" means the Employee Retirement Income Security Act of 1974, as

amended from time to time.

"ERISA Affiliate" means any Person, including a Subsidiary or other

Affiliate, that is a member of any group of organizations within the meaning of Code Sections 414(b), (c), (m) or (o) of which Borrowers are a member.

"Event of Default" has the meaning specified in Section 7.1 of this

Agreement.

"Exchange Act" means the Securities Exchange Act of 1934, as amended,

and any successor Federal statute.

"Facility Fee" has the meaning specified in Section 3.7(a) of this

Agreement.

8

"Federal Funds Rate" means, for any day, the rate per annum (rounded

upward to the nearest 1/100th of 1%) equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by the Federal Reserve Bank of New York on the Business Day next succeeding such day; provided that (a) if such day is not

a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate quoted to the Agent on such day on such transactions as determined by the Agent.

"Fee Payment Date" means (a) in the case of the Facility Fee, the

first Business Day following the end of any Fiscal Quarter (or part thereof), (b) in the case of the Administrative Fee, the first Business Day following each annual anniversary of the Effective Date, and (c) in the case of the L/C Fronting Fee, on the date of issuance of the Standby Letter of Credit to which such fees relate.

"Final Prospectus" means the final prospectus filed with the SEC

pursuant to SEC Rule 424 in connection with the Parent Borrower Public Offering.

"Fiscal Quarter" means the quarter, during any Fiscal Year, ending

March 31, June 30, September 30 and December 31.

"Fiscal Year" has the meaning specified in Section 6.1(a) of this

Agreement.

"Form 8-K" means Form 8-K as prescribed by the SEC under the Exchange

Act.

"Form 10-K" means Form 10-K as prescribed by the SEC under the

Exchange Act.

"Form 10-Q" means Form 10-Q as prescribed by the SEC under the

Exchange Act.

"Funding Date" means the date on which any loan shall be made by a

Lender to the Borrowers hereunder.

"GAAP" means generally accepted accounting principles as set forth in

the opinions and pronouncements of the Accounting Principles Board of the
American Institute of Certified Public Accountants and statements and

9

pronouncements of the Financial Accounting Standards Board or such other
statements by such other Person as may be approved by a significant segment
of the accounting profession in the United States.

"Governmental Authority" means any nation or government, any state or

other political subdivision thereof and any entity exercising executive,
legislative, judicial, regulatory or administrative functions of or
pertaining to government.

"Hazardous Substance" means (a) any substance designated pursuant to

section 311(b)(2)(A) of the Federal Water Pollution Control Act, (b) any
element, compound, mixture, solution or substance designated pursuant to
section 102 of CERCLA, (c) any hazardous waste having the characteristics
identified under or listed pursuant to section 3001 of the Solid Waste
Disposal Act (but not including any waste the regulation of which under the
Solid Waste Disposal Act has been suspended by Act of Congress), (d) any
toxic pollutant listed under section 307(a) of the Federal Water Pollution
Control Act, (e) any hazardous air pollutant listed under section 112 of
the Clean Air Act, and (f) any imminently hazardous chemical substance or
mixture with respect to which the Administrator has taken action pursuant
to section 7 of the Toxic Substances Control Act. The term specifically
includes petroleum, including crude oil or any fraction thereof, asbestos,
asbestos containing materials and urea formaldehyde insulation. The term
does not include natural gas, natural gas liquids, liquefied natural gas,
or synthetic gas useable for fuel (or mixtures of natural gas and such
synthetic gas).

"Indebtedness" means, without duplication, all (a) indebtedness,

obligations and liabilities now existing or hereafter arising for money
borrowed by the Borrowers or any Subsidiary thereof, whether or not
evidenced by a note, indenture or other agreement (including, without
limitation, the Revolving Notes and the Swing Line Note), (b) reimbursement
or indemnification obligations in respect of any letter of credit issued
for the account of the Borrowers or any Subsidiary thereof (other than
letters of credit related to State Payment Obligations), (c) reimbursement
or indemnification obligations in respect of any guarantee, suretyship
agreement or similar agreement issued on behalf of the Borrowers or any
Subsidiary thereof (other than such obligations in respect of guarantees,
suretyship agreements, and other similar arrangements related to State
Payment Obligations), (d) guarantees, suretyship agreements, and other
similar arrangements effecting the assumption of a debt or obligation of
any Person (other than the Borrowers or a Consolidated Subsidiary thereof)
as to which one or more of the Borrowers or a Consolidated Subsidiary have
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reimbursement or indemnification obligation, or the endorsement of any promissory note or other instrument or obligation of any Person (other than the Borrowers or a Consolidated Subsidiary), (e) obligations of the Borrowers or any Subsidiary thereof as lessee under any Capital Lease (as reflected on a balance sheet prepared in accordance with GAAP), (f) all obligations of the Borrowers or any Subsidiary thereof in respect of any interest rate or currency swap, rate cap or other similar transaction (valued in an amount equal to the highest termination payment, if any, that would be payable by such Person upon termination of such transaction for any reason on the date of determination); (g) all amounts owing by the Borrowers or any Subsidiary thereof under purchase money mortgages or other purchase money liens or conditional sales or other title retention agreements and (h) all indebtedness secured by purchase money mortgages, liens, security interests, conditional sales or other title retention agreements upon property owned by the Borrowers or any Subsidiary thereof (whether or not the Borrowers or Subsidiary have assumed or become liable for the payment of such indebtedness).

"Indemnified Person" has the meaning specified in Section 9.10(b) of

this Agreement.

"Initial Fiscal Quarter" has the meaning specified in Section

6.1(b) (i) of this Agreement.

"Intercompany Agreements" has the meaning specified in Section 5.16(b)

of this Agreement.

"Intercompany Debt" has the meaning specified in Section 5.16(a) of

this Agreement.

"Interest Payment Date" means (a) in the case of Revolving Loans

bearing interest at the Base Rate, the last Business Day of the calendar quarter (or part thereof) in which interest accrues on such Revolving Loans, (b) in the case of LIBOR Loans, the expiration of the LIBOR Period in respect of such LIBOR Loans, (c) in the case of any Swing Line Loans, on the last Business Day of the Swing Line Period in respect of such Swing Line Loans, and (d) in the case of any interest period exceeding three (3) months or ninety (90) days, as the case may be, those days that occur during such interest period at intervals of three months or ninety days, as the case may be, after the first day of such Interest Period.

11

"Investment" in any Person means, without duplication:

(a) the acquisition (whether for cash, property, services or securities or otherwise) of Capital Stock, bonds, notes, debentures, partnership, limited liability company, or other ownership interests or other securities of such Person; and

(b) any deposit with, or advance, loan or other extension of credit to, such Person or guarantee or assumption of, or other contingent obligation with respect to, Indebtedness of such Person, other than Indebtedness and guarantees permitted by Section 6.2(b) and Loans permitted by Section 6.2(d).

"Issuing Lender" means, initially, the Agent and, thereafter, such

other Lender as from time to time shall agree to act as the issuer of the Standby Letters of Credit by notice to the Lenders, the Agent and the Borrowers.

"L/C Fee" has the meaning specified in Section 2.3(b) of this

Agreement.

"L/C Fee Payment Date" means the last Business Day of the calendar

quarter.

"L/C Fronting Fee" has the meaning specified in Section 2.3(b) of this

Agreement.

"Lender" or "Lenders" have the meanings specified in the preamble of

this Agreement.

"Lender Availability" means, as of any date of determination and with

respect to each Lender, the amount determined by deducting (a) the amount of such Lender's Pro Rata Share of the Total Outstanding Amount from (b)

the amount of such Lender's Pro Rata Share of the Revolving Loan
Commitment.

"LIBOR" means, with respect to any LIBOR Period, (a) the per annum

interest rate (rounded upward to the nearest 1/100th of 1%) determined on the basis of the offered rates for Dollar deposits for a term comparable to such LIBOR Period and in an amount substantially equal to the outstanding amount of the Revolving Loans in respect of which such determination is made which appear on the Bloomberg Screen Page BBAM1 as of 11:00 a.m. (London time) on the day that is two LIBOR Business Days prior to the first day of such LIBOR Period, divided by (b) a number equal to 1.00 minus

the LIBOR Reserve Rate.

12

"LIBOR Business Day" means any day on which commercial banks are open

for international business (including dealings in Dollar deposits) in London or such other Euro-dollar interbank market as may be selected by the Agent in its sole discretion.

"LIBOR Conversion" has the meaning specified in Section 3.8(a) of this

Agreement.

"LIBOR Conversion Notice" has the meaning specified in Section 3.8(a)

of this Agreement.

"LIBOR Loans" means the Revolving Loans which bear interest at the

Applicable LIBOR Rate.

"LIBOR Period" means the one month, two month, three month or six

month interest period selected by the Borrowers pursuant to any LIBOR Conversion Notice.

"LIBOR Reserve Rate" means, for any day with respect to a LIBOR Loan,

the maximum rate (expressed as a decimal) at which a Lender would be required to maintain reserves under Regulation D of the Board of Governors of the Federal Reserve System, as amended from time to time (or any successor or similar regulations relating to such reserve requirements), against "Eurocurrency liabilities" (as that term is used in Regulation D), if such liabilities were outstanding. The LIBOR Reserve Rate shall be adjusted automatically on and as of the effective date of any change in the LIBOR Reserve Rate.

"Lien" of any Person means any mortgage, deed of trust, lien, pledge, ----
adverse interest in property, charge, security interest or other encumbrance in or on, 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 or Capital Lease with respect to, any property or asset owned or held by such Person, or the signing or filing of any security agreement with respect to any of the foregoing authorizing any other party as the secured party thereunder to file any financing statement.

"Loan" means any Revolving Loan (whether bearing interest at the Base ----
Rate or Applicable LIBOR Rate) or Swing Line Loan, and "Loans" shall mean, -----
collectively, all Revolving Loans (whether bearing interest at the Base Rate or Applicable LIBOR Rate) and Swing Line Loans.

13

"Loan Documents" means this Agreement, the Revolving Notes, the Swing ----
Line Note, and the Administrative Fee Letter.

"Mandatory Borrowing" has the meaning specified in Section 2.4(e) of ----
this Agreement.

"Maturity Date" means August __, 2003.

"Multiemployer Plan" means any "multiemployer plan" as defined in ----
ERISA Section 4001(a)(3) to which the Borrowers or any ERISA Affiliate are making or accruing an obligation to make contributions, or have within any of the preceding three plan years made or accrued an obligation to make contributions.

"Note" means each of the Revolving Notes and the Swing Line Note.

"Obligations" means all now existing or hereafter arising ----
indebtedness, obligations, liabilities and covenants of the Borrowers to the Lenders or the Agent, their respective Affiliates or permitted successors and assigns or any other Indemnified Person, in each case arising under or evidenced by this Agreement or any other Loan Document, whether direct or indirect, absolute or contingent, now or hereafter existing, or due or to become due.

"OHI" means Overnite Holding, Inc., a Delaware corporation and 100% ----
owned Subsidiary of Parent Borrower.

"Operating Borrower" means Overnite Transportation Company, a Virginia ----
corporation and 100% owned Subsidiary of OHI.

"Optional Prepayment" means the optional prepayment of Revolving Loans

pursuant to Section 3.6(b) of this Agreement or the optional prepayment of Swing Line Loans pursuant to Section 2.4(f) of this Agreement, as the context shall require.

"Parent Borrower" means Overnite Corporation, a Virginia corporation.

"Parent Borrower Public Offering" means the Parent Borrower Public

Offering of Common Stock of Parent Borrower pursuant to the Form S-1 Registration Statement, Registration Number 333-53169, initially filed with the SEC on May 20, 1998, as amended.

14

"PBGC" means the Pension Benefit Guaranty Corporation and any

successor Federal Agency.

"Permitted Investment" means each of (a) direct obligations of the

United States of America, and agencies thereof; (b) obligations fully guaranteed by the United States of America; (c) certificates of deposit issued by, or bankers' acceptance of, or time deposits with, any bank, trust company or national banking association incorporated or doing business under the laws of the United States of America or one of the states thereof having combined capital and surplus and retained earnings of at least \$100,000,000; (d) commercial paper of companies having a rating assigned to such commercial paper by Standard & Poor's Corporation or Moody's Investors Service, Inc. (or, if neither such organization shall rate such commercial paper at any time, by any nationally recognized rating organization in the United States of America) of at least A-2 or P-2, respectively; (e) registered investment companies that limit their investments to the instruments described in clauses (a) through (d) hereof; (f) overnight repurchase agreements based on securities of the types described in clauses (a) and (b) with a bank, trust company or national banking association satisfying the requirements of clause (c); or (g) any other investment (including, without limitation, investments in Persons that do not become Subsidiaries as a result of the investment), provided

the aggregate amount of all investments referred to in this clause (g) shall not exceed \$6,000,000.00.

"Permitted Liens" means:

(a) any Liens for current taxes, assessments and other governmental charges not yet due and payable or being contested in good faith by the Borrowers or one or more of their Subsidiaries by appropriate proceedings and for which adequate reserves have been established by the Borrowers or one or more of their Subsidiaries as reflected in Borrowers' financial statements;

(b) any mechanic's, materialman's, carrier's, warehousemen's or similar Liens for sums not yet due or being contested in good faith by the Borrowers or one or more of their Subsidiaries by appropriate proceedings and for which adequate reserves have been established by the Borrowers or one or more of their Subsidiaries as reflected in Borrowers' financial statements;

(c) any Liens in favor of the Lenders under the Loan Documents;

(d) easements, rights-of-way, restrictions and other similar encumbrances on the real property or fixtures of the Borrowers or one or

of their Subsidiaries incurred in the ordinary course of business which individually or in the aggregate are not substantial in amount and which do not in any case materially detract from the value of the property subject thereto or interfere with the ordinary conduct of the business of the Borrowers or any of their Subsidiaries;

(e) Liens (other than Liens imposed on any property of the Borrowers or one or more of their Subsidiaries or any ERISA Affiliate pursuant to ERISA or Section 412 of the Code) incurred or deposits made in the ordinary course of business, including Liens in connection with workers' compensation, unemployment insurance and other types of social security and Liens to secure performance of tenders, statutory obligations, trade contracts (other than for Indebtedness), surety and appeal bonds (in the case of appeal bonds such Lien shall not secure any reimbursement or indemnity obligation in an amount greater than \$1,000,000), bids, leases that are not Capital Leases, performance bonds, sales contracts and other similar obligations, deposits securing liability to insurance carriers under insurance or self-insurance arrangements, in each case, not incurred in connection with the obtaining of credit or the payment of a deferred purchase price, and which do not, in the aggregate, result in a material adverse effect on the business, operations, assets or condition (financial or otherwise) of the Borrowers or one or more of their Subsidiaries;

(f) any Liens existing upon the date hereof as set forth in Schedule 1.1 hereto;

(g) Liens securing obligations incurred to finance the deferred purchase price of property, provided that (i) such Liens shall be created -----
within 120 days after the acquisition of such property, (ii) such Liens do not at any time encumber any property other than the property financed by such obligations, (iii) the amount of the obligation secured thereby is not increased, and (iv) the principal amount of an obligation secured by any such Lien shall at no time exceed the lesser of (A) 100% of the original purchase price of such property and (B) the fair value (as determined in good faith by the Board of Directors of the Parent Borrower) of such property at the time it was acquired;

(h) Liens securing obligations assumed in connection with Investments made in accordance with Sections 6.2(e) and (h), provided that (i) such -----
Liens exist at the time of the Investment and were not created in anticipation thereof, (ii) any such Lien is not spread to cover any additional property or assets after

the time of such Investment, and (iii) the amount of the obligation secured by any such Lien is not increased; and

(i) other Liens not to exceed \$2,000,000 in the aggregate.

"Permitted Uses" means (a) a \$105,000,000 payment to Union Pacific -----

Corporation in connection with Parent Borrower's acquisition of OHI and Operating Borrower, (b) working capital, (c) capital expenditures made in compliance with this Agreement, (d) letters of credit, and (e) general corporate purposes.

"Person" means an individual, partnership, corporation (including a -----
business trust), limited liability company, joint stock company, trust,

unincorporated association, joint venture or other entity, or a government or any political subdivision or agency thereof.

"Potential Event of Default" means an event, condition or circumstance

which, with the giving of notice or the lapse of time or both, would constitute an Event of Default.

"Prepayment Date" has the meaning specified in Section 9.3 of this

Agreement.

"Prime Rate" means the rate of interest established and announced from

time to time by the Agent as its Prime Rate, it being understood and agreed that the Prime Rate is used as a reference for fixing the lending rate on commercial loans and is not necessarily the lowest or most favorable rate of interest charged by the Agent on such loans. The Prime Rate, as applied to the Revolving Loans, will be changed on the same day as change occurs in the Agent's Prime Rate, in accordance with the Agent's standard practices in effect from time to time with respect to the administration of commercial loans.

"Prohibited Transaction" has the meaning ascribed to such term in

ERISA.

"Pro Rata Share" means, as of any date of determination and with

respect to any Lender, a fraction (expressed as a percentage), the numerator of which shall be the amount of such Lender's Commitment and the denominator of which shall be the aggregate amount of Commitments of all Lenders, as such Commitments may be reduced or otherwise adjusted from time to time in accordance with the provisions of this Agreement; provided,

however, that if all of the Commitments are terminated or reduced to zero

hereunder, the Pro Rata

17

Share shall mean, as of any date of determination and with respect to any Lender, a fraction (expressed as a percentage), the numerator of which shall be the sum of the aggregate amount of such Lender's Revolving Loans then outstanding plus the aggregate amount of such Lender's participation in any outstanding Standby Letter of Credit and the denominator of which shall be the sum of the aggregate amount of all Revolving Loans then outstanding plus all Standby Letters of Credit then outstanding.

"Regulation" shall mean any statute, law, ordinance, regulation, order

or rule of any United States or foreign, federal, state, local or other government or governmental body, including, without limitation, those covering or related to banking, financial transactions, securities, public utilities, environmental control, energy, safety, health, transportation, bribery, record keeping, zoning, antidiscrimination, antitrust, wages and hours, employee benefits, and price and wage control matters.

"Regulatory Change" means any applicable law, interpretation,

directive, request or guideline (whether or not having the force of law), or any change therein or in the administration or enforcement thereof, that becomes effective or is implemented or first required or expected to be complied with after the date hereof, whether the same is (i) the result of

an enactment by a government or any agency or political subdivision thereof, a determination of a court or regulatory authority, or otherwise

or (ii) enacted, adopted, issued or proposed before or after the date

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hereof, including any such that imposes, increases or modifies any tax, reserve requirement, insurance charge, special deposit requirement, assessment or capital adequacy requirement, but excluding any such that imposes, increases or modifies any income or franchise tax imposed upon any Lender by any jurisdiction (or any political subdivision thereof) in which any Lender or any office is located.

"Release of Hazardous Substances" shall mean any spilling, leaking,

pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing into the environment of any Hazardous Substances (including the abandonment or discarding of barrels, containers, and other closed receptacles containing any Hazardous Substance), but excludes the normal application of fertilizer or pesticides.

"Reportable Event" means any event or condition described in ERISA

Section 4043(b), other than an event or condition with respect to which the 30-day notice requirement has been waived.

18

"Required Lenders" means, except as otherwise provided in Section

8.9(a) hereof, as of any date of determination, such Lenders whose Pro Rata Shares of the Revolving Loan Commitment, in the aggregate, are greater than sixty-six and two-thirds percent (66 $\frac{2}{3}$ %); provided, however, that for so

long as only two financial institutions constitute Lenders hereunder (it being understood that, solely for the purposes of determining the number of financial institutions constituting Lenders under this proviso, each financial institution, together with its Affiliates, shall constitute a single Lender), Required Lenders shall mean, except as otherwise provided in Section 8.9(a) hereof, as of any date of determination, such Lenders whose Pro Rata Shares of the Revolving Loan Commitment, in the aggregate, constitute one hundred percent (100%).

"Revolving Loan" has the meaning specified in Section 2.1 of this

Agreement.

"Revolving Loan Commitment" means the commitment of the Lenders to

make Revolving Loans and issue (or participate in the issuance of) Standby Letters of Credit in an aggregate amount of up to the Aggregate Commitment, as such amount may be reduced or otherwise adjusted from time to time in accordance with the provisions of this Agreement.

"Revolving Note" means any promissory note issued to a Lender by the

Borrowers pursuant to this Agreement, substantially in the form (appropriately completed) of Exhibit A to this Agreement, as the same may be amended, modified or supplemented from time to time, and any other promissory note issued in exchange or substitution thereof, and "Revolving

Notes" means, collectively, all such promissory notes so issued.

"SEC" means the Securities and Exchange Commission and any successor

Federal agency.

"Securities Act" means the Securities Act of 1933, as amended, and any

successor Federal statute.

"Stamp Taxes" has the meaning specified in Section 9.5 of this

Agreement.

"Standby Letter of Credit" has the meaning specified in Section 2.3 of

this Agreement.

19

"State Payment Obligations" means payment obligations to states of the

United States of America or the District of Columbia in respect of tolls
and fuel taxes not to exceed \$5,000,000 in the aggregate at any time.

"Subsidiary" means any corporation, limited liability company,

partnership, trust or other entity a majority of the capital stock (or
equivalent ownership or controlling interest) of which at the time
outstanding, having ordinary voting power for the election of directors (or
equivalent controlling interest or persons), are owned by Borrowers
directly or indirectly, and "Subsidiaries" means, collectively, all such

entities.

"Swing Line Lender" has the meaning specified in Section 2.4(a) of

this Agreement.

"Swing Line Borrowing Notice" has the meaning specified in Section

2.4(c) of this Agreement.

"Swing Line Loan" has the meaning specified in Section 2.4(a) of this

Agreement.

"Swing Line Note" means the promissory note issued by the Borrowers to

Crestar Bank pursuant to this Agreement in respect of the Swing Line Loans,
substantially in the form (appropriately completed) of Exhibit B to this
Agreement, as the same may be amended, modified or supplemented from time
to time, and any other promissory note issued in exchange or substitution
therefor.

"Swing Line Period" has the meaning specified in Section 2.4(c) of

this Agreement.

"Swing Line Subfacility" has the meaning specified in Section 2.4(a)

of this Agreement.

"Termination Event" means, with respect to any Benefit Plan, (a) any

Reportable Event with respect to such Benefit Plan, (b) the termination of
such Benefit Plan, or the filing of a notice of intent to terminate such
Benefit Plan, or the treatment of any amendment to such Benefit Plan as a
termination under ERISA Section 4041(c), (c) the institution of proceedings
to terminate such Benefit Plan under ERISA Section 4042 or (d) the
appointment of a trustee to administer such Benefit Plan under ERISA
Section 4042.

20

"Total Outstanding Amount" has the meaning specified in Section 2.1(a)

of this Agreement.

"Year 2000 Compliant" has the meaning specified in Section 5.21 of

this Agreement.

"Year 2000 Problem" has the meaning specified in Section 5.21 of this

Agreement.

Section 1.2 Accounting Terms. All accounting terms not specifically

defined herein shall be construed in accordance with GAAP consistently applied.

Section 1.3 Time Period Computations. In the computation of a

period of time specified in this Agreement from a specified date to a subsequent
date, the word "from" means "from and including" and the words "to" and "until"
mean "to but excluding".

ARTICLE II

GENERAL PROVISIONS OF REVOLVING CREDIT FACILITY

Section 2.1 The Revolving Loans. -----

(a) Revolving Loan Borrowings. Subject to the terms and conditions -----

of this Agreement, each Lender severally and not jointly agrees to make
revolving loans (each individually, a "Revolving Loan" and, collectively, the
"Revolving Loans") to the Borrowers, at any time and from time to time on and
after the Effective Date until one Business Day prior to the Maturity Date in an
amount which shall not exceed such Lender's Pro Rata Share of the Revolving Loan
Commitment; provided, however, that (i) the sum of the aggregate outstanding

amount of all Revolving Loans plus the aggregate outstanding amount of all Swing

Line Loans plus the aggregate outstanding amount of all Standby Letters of

Credit (such sum, the "Total Outstanding Amount") shall at no time exceed the
Aggregate Commitment, and (ii) the aggregate outstanding amount of all Revolving
Loans made by each individual Lender pursuant to this Section 2.1 plus the

aggregate outstanding amount of all Standby Letters of Credit made by the
Issuing Lender and deemed made by each other Lender pursuant to Section 2.3
hereof shall at no time exceed such Lender's Pro Rata Share of the Revolving
Loan Commitment. Within the limits and subject to the terms and conditions set
forth in this Agreement,

21

the Borrowers may borrow pursuant to this Section 2.1 and Section 2.2 hereof,
may prepay pursuant to Section 3.6(b), and reborrow under this Section 2.1
hereof.

(b) The Revolving Notes; Maturity. The Revolving Loans made by each -----

Lender pursuant hereto shall be evidenced by a separate Revolving Note. Each
Revolving Note shall be issued on or before the Effective Date and shall bear
interest for the period from the initial Funding Date thereof until paid in full
on the unpaid principal amount thereof at the rate specified in Section 3.1 of
this Agreement. Each Lender is hereby authorized to record in the books and

records of such Lender (without making any notation in such Lender's Revolving Note or any schedule thereto) the amount and Funding Date of each Revolving Loan made by such Lender, and the amount and date of each payment or prepayment of any Revolving Loan. No failure to so record nor any error in so recording shall affect the obligations of the Borrowers to repay the actual outstanding principal amount of the Revolving Loans, with interest thereon, as provided in this Agreement. The aggregate principal amount of the Revolving Loans shall be payable on the Maturity Date, unless sooner accelerated pursuant to the terms of this Agreement.

Section 2.2 Revolving Loan Borrowing Procedures.

(a) Notice of Revolving Borrowing. Whenever the Borrowers desire to

borrow Revolving Loans under Section 2.1 hereof, the Borrowers shall deliver to the Agent irrevocable written notice substantially in the form of Exhibit C (each such notice, a "Borrowing Notice"). In the case of a Revolving Loan bearing interest at the Base Rate, the Borrowing Notice shall be delivered no later than 10:00 A.M. (Eastern time) on the Funding Date. In the case of a Revolving Loan bearing interest at the Applicable LIBOR Rate, the Borrowing Notice shall be delivered no later than 10:00 A.M. at least three (3) LIBOR Business Days prior to the first day of the LIBOR Period as to which such loan relates, it being understood that the Borrowers' entitlement to request Revolving Loans bearing interest at the Applicable LIBOR Rate is subject to compliance with, and the limitations of, Section 3.8(a) (with such modifications as shall be necessary to reflect that an initial loan, rather than the conversion of an outstanding loan, is being requested). The Borrowing Notice shall specify (i) that the Borrowers wish to effect Revolving Loans, (ii) the amount of the Revolving Loans thereby requested (which shall not be less than \$3,000,000 and shall be in multiples of \$500,000), (iii) the requested Funding Date of such Revolving Loans, which date shall be a Business Day, and (iv) whether the requested Revolving Loans will bear interest at the Base Rate or Applicable LIBOR Rate. Each Borrowing Notice shall be accompanied by the officer's certificate contemplated by Section 4.2(d) hereof. In lieu of delivering the above-described Borrowing Notice, and only with the consent of the Agent in its

22

sole discretion at such time, the Borrowers may give the Agent telephonic notice of any such proposed borrowing by the time required under this Section 2.2(a); provided that, in the event the Agent so consents, such notice shall be

confirmed in writing by delivery to the Agent promptly (but in no event later than 12:00 noon (Eastern time) on the Funding Date of the requested Revolving Loans) of a Borrowing Notice (it being understood that any such telephonic notice shall be irrevocable). Notwithstanding anything contained herein to the contrary, the Agent, without any notice or other authorization being required, shall (and is hereby irrevocably instructed by the Borrowers to) effect Revolving Loans bearing interest at the Base Rate in an amount sufficient to effect each payment of interest on the Loans due on each Interest Payment Date, and of each payment of the Facility Fee and the Administrative Fee due on the applicable Fee Payment Date, in accordance with Section 3.4(a) of this Agreement, provided that to the extent such payments are greater than the

aggregate Lender Availability, such payments shall be effected by a debit to the Borrowers' Account as provided in Section 3.4(a) hereof.

(b) Making of Revolving Loans. Promptly after receipt of a Borrowing

Notice under clause (a) of this Section 2.2 (or telephonic notice if the Agent so consents thereto), the Agent shall notify each Lender by telecopy or telex or other customary form of teletransmission of the requested borrowing. Each Lender shall make the amount of its Revolving Loan available to the Agent in Dollars and in immediately available funds, not later than 3:00 P.M. (Eastern

time) on the Funding Date specified in the Borrowing Notice. After the Agent's receipt of the proceeds of such Revolving Loans from the Lenders, the Agent shall (unless it shall have learned that any of the conditions precedent set forth in Section 4.2 hereof have not been satisfied) make the proceeds of such Revolving Loans available to the Borrowers on such Funding Date and shall disburse such funds in Dollars to the Borrowers in immediately available funds by crediting the Borrowers' Account.

(c) Failure to Fund by Lender. Unless the Agent shall have been

notified by any Lender prior to 12:00 P.M. (Eastern time) on any Funding Date in respect of Revolving Loans requested under a Borrowing Notice that such Lender does not intend to make available to the Agent such Lender's Revolving Loan on such Funding Date, the Agent may assume that such Lender has made such amount available to the Agent on such Funding Date and the Agent in its sole discretion may, but shall not be obligated to, make available to the Borrowers a corresponding amount on such Funding Date. If such corresponding amount is not in fact made available to the Agent by such Lender on or prior to 3:00 P.M. (Eastern time) on a Funding Date, such Lender agrees to pay and the Borrowers agree to repay to the Agent forthwith on demand such corresponding amount together with interest thereon, for each day from

23

the date such amount is made available to the Borrowers until the date such amount is paid or repaid to the Agent, at (i) in the case of such Lender, the Federal Funds Rate, and (ii) in the case of the Borrowers, the Base Rate. If such Lender shall pay to the Agent such corresponding amount, such amount so paid shall constitute such Lender's Revolving Loan, and if both such Lender and the Borrowers shall have paid and repaid, respectively, such corresponding amount, the Agent shall promptly pay over to the Borrowers such corresponding amount in same day funds, but the Borrowers shall remain obligated for all interest thereon. Nothing contained in this Section 2.2(b) shall be deemed to relieve any Lender of its obligation hereunder to make its Revolving Loan on any Funding Date.

Section 2.3 Standby Letters of Credit.

(a) Generally. Subject to and in accordance with the terms and

conditions set forth herein, the Borrowers may request the Issuing Lender, from time to time during the period commencing on the Effective Date and ending ten (10) Business Days prior to the Maturity Date, to issue, and subject to the terms hereof the Issuing Lender shall issue, for the account of the Borrowers, one or more standby letters of credit (each, a "Standby Letter of Credit") pursuant to the Issuing Lender's customary letter of credit application;

provided that by entering into this Agreement the Borrowers shall be deemed to

have requested the reissuance, effective as of the Effective Date, of all Standby Letters of Credit previously issued by the Agent for the account of Operating Borrower prior to the Effective Date, and such Standby Letters of Credit shall thereafter be deemed for all purposes to have been issued under this Agreement as of the Effective Date; provided, further, that the L/C

Fronting Fee shall not be payable on the Effective Date in respect of such Standby Letters of Credit. The aggregate outstanding amount at any time and from time to time of all Standby Letters of Credit shall not exceed \$75,000,000. The Issuing Lender shall have no obligation to issue any Standby Letter of Credit if, after giving effect to the issuance thereof, the Total Outstanding Amount shall then exceed the Aggregate Commitment (it being understood that the Issuing Lender shall, upon request of the Borrowers, issue a Standby Letter of Credit in an amount that would, after giving effect to the issuance thereof, not cause the Aggregate Commitment to be exceeded).

(b) Standby Letter of Credit Fees; Maturity. The Borrowers shall,

among other things, pay to the Issuing Lender for the benefit of the Lenders, pro rata, on each L/C Fee Payment Date, in arrears, a fee (the "L/C Fee") per annum (calculated on the basis of a 360 day year and the actual number of days elapsed), computed by multiplying the Applicable LIBOR Margin for the Fiscal Quarter immediately preceding the applicable L/C Fee Payment Date by the daily average of the aggregate of all

24

Standby Letters of Credit outstanding during such Fiscal Quarter. Any change in the Applicable LIBOR Margin resulting from a change in the Consolidated Leverage Ratio shall be effective five (5) Business Days after receipt of Borrowers' financial statements reflecting such ratio; provided, however, that if such

financial statements are not delivered when due, then the highest Applicable LIBOR Margin shall apply. In addition to the L/C Fee, the Borrowers shall pay to the Issuing Lender, for its own account, a L/C Fronting Fee equal to 0.05% of the amount of the Standby Letter of Credit per annum (calculated on the basis of a 360 days year and the actual number of days the Standby Letter of Credit will be outstanding) (the "L/C Fronting Fee"). The L/C Fronting Fee shall be payable not later than the Fee Payment Date.

All Standby Letters of Credit issued by the Issuing Lender as contemplated by this Section 2.3 shall expire no later than the Maturity Date. Notwithstanding that the Issuing Lender shall have no obligation to issue any Standby Letter of Credit the expiration date of which shall extend beyond the Maturity Date, if the expiration date of any Standby Letter of Credit shall in fact extend beyond the Maturity Date, then on the last Business Day immediately preceding the Maturity Date, there shall be deemed to have been made Revolving Loans in the outstanding amount of all Standby Letters of Credit the expiration date of which shall occur after the Maturity Date, the proceeds of which the Issuing Lender shall deposit in a collateral account at the Issuing Lender or an Affiliate thereof in order to collateralize such Standby Letters of Credit, which collateral account shall bear interest for the account of the Borrowers based upon investment of the funds as agreed between the Issuing Lender and the Borrowers.

(c) Standby Letter of Credit Request Procedure. Whenever the

Borrowers desire that a Standby Letter of Credit be issued on its behalf, the Borrowers shall give the Issuing Lender (with copies to be sent to the Agent and each other Lender) at least three (3) Business Days' prior written notice therefor. The execution and delivery of each request for a Standby Letter of Credit shall be deemed to be a representation and warranty by the Borrowers that such Standby Letter of Credit may be issued in accordance with, and will not violate the requirements of, this Section 2.3. Unless the Issuing Lender has received notice from the Agent or any Lender before it issues the respective Standby Letter of Credit that one or more of the conditions specified in Section 4.2 are not then satisfied, or that the issuance of such Standby Letter of Credit would violate this Section 2.3, then the Issuing Lender may issue the requested Standby Letter of Credit for the account of the Borrowers in accordance with the terms of this Agreement and, with respect to any matters not specifically covered by this Agreement, in accordance with the Issuing Lender's usual and customary commercial lending practices as in effect from time to time.

25

(d) Letter of Credit Participations.

(i) Immediately upon the issuance by the Issuing Lender of any Standby Letter of Credit, the Issuing Lender shall be deemed to have sold and transferred to each Lender (other than the Issuing Lender), and each such Lender shall be deemed irrevocably and unconditionally to have purchased and received from the Issuing Lender, without recourse or

warranty, an undivided interest and participation, in proportion to such Lender's Pro Rata Share, in such Standby Letter of Credit, each drawing made thereunder and the obligations of the Borrowers under this Agreement with respect thereto, and any collateral therefor. Upon any change in a Lender's Pro Rata Share of the Revolving Loan Commitment, it is hereby agreed that with respect to all outstanding Standby Letters of Credit, there shall be an automatic adjustment to the participations pursuant to this Section 2.3(d) to reflect the new Pro Rata Share of the Revolving Loan Commitment of the assigning and assignee Lenders.

(ii) In determining whether to pay under any Standby Letter of Credit, the Issuing Lender shall have no obligation relative to the Lenders other than to confirm that any documents required to be delivered under such Standby Letter of Credit appear to have been delivered and that they appear to comply on their face with the requirements of such Standby Letter of Credit. Any action taken or omitted to be taken by the Issuing Lender under or in connection with any Standby Letter of Credit, if taken or omitted in the absence of gross negligence or willful misconduct, shall not create for the Issuing Lender any resulting liability to any Lender.

(iii) Upon the request of any Lender, the Issuing Lender shall furnish to such Lender copies of any Standby Letter of Credit to which the Issuing Lender is party and such other documentation relating to such Standby Letter of Credit as may reasonably be requested by such Lender.

(iv) As between the Borrowers on the one hand and the Issuing Lender and the Lenders on the other hand, the Borrowers assume all risks of the acts and omissions of, or misuse of the Standby Letters of Credit by the respective beneficiaries of such Standby Letters of Credit. Without limiting the generality of the foregoing, neither the Issuing Lender nor any other Lender shall be responsible (except in the case of its gross negligence or willful misconduct) for the following:

26

(A) the form, validity, sufficiency, accuracy, genuineness or legal effect of any documents submitted by any party in connection with the application for and issuance of or any drawing under such Standby Letters of Credit, even if it should in fact prove to be in any respects invalid, insufficient, inaccurate, fraudulent or forged;

(B) the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign any such Standby Letter of Credit or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason;

(C) failure of the beneficiary of any such Standby Letter of Credit to comply fully with conditions required in order to draw upon such Standby Letter of Credit, other than material conditions or instructions that expressly appear in such Standby Letter of Credit;

(D) errors, omissions, interruptions or delays in the transmission or delivery of any messages by mail, cable, telegraph, telecopier, telex or otherwise, whether or not they are encoded;

(E) errors in interpretation of technical terms;

(F) any loss or delay in the transmission or otherwise of any document required in order to make a drawing under any such Standby Letter of Credit or the proceeds thereof;

(G) the misapplication by the beneficiary of any such Standby Letter of Credit of the proceeds of any drawing of any such Standby Letter of Credit; or

(H) any consequences arising from causes beyond the control of

the Issuing Lender, including without limitation any acts of governments.

(v) The obligations of the Lenders to make payments to the Agent for the account of the Issuing Lender with respect to Standby Letters of Credit shall be irrevocable and not subject to any qualification or exception whatsoever and shall be made in accordance with the terms and conditions of this Agreement under all circumstances, including, without limitation, any of the following circumstances:

27

(A) any lack of validity or enforceability of this Agreement or any of the other Loan Documents;

(B) the existence of any claim, setoff, defense or other right which the Borrowers may have at any time against a beneficiary named in a Standby Letter of Credit, any transferee of any Standby Letter of Credit (or any Person for whom any such transferee may be acting), the Agent, the Issuing Lender, any Lender, or any other Person, whether in connection with this Agreement, any Standby Letter of Credit, the transactions contemplated herein or any unrelated transactions;

(C) any draft, certificate or any other document presented under the Standby Letter of Credit shall prove to be forged, fraudulent, invalid or insufficient in any respect or any statement therein shall prove to be untrue or inaccurate in any respect;

(D) the surrender or impairment of any security for the performance or observance of any of the terms of any of the Loan Documents;

(E) the occurrence of any Event of Default or Potential Event of Default; or

(F) the termination of this Agreement or any Commitment.

(e) Standby Letter of Credit Drawings Constitute Revolving Loans.

The Issuing Lender shall promptly notify the Agent, and the Agent shall promptly notify each Lender, in each case by telecopy or telex or other customary form of teletransmission, of any drawing under any Standby Letter of Credit (each drawing, a "Drawing"). Each Drawing shall immediately be deemed to be and for all purposes of this Agreement shall constitute a Revolving Loan hereunder in the amount of such drawing. Each Lender shall promptly and unconditionally pay to the Agent for the account of the Issuing Lender an amount equal to such Lender's Pro Rata Share of such Drawing in same day funds. Such payment shall be made to the Agent at the Agent Lending Office. If the Agent delivers such notice to such Lender prior to 2:00 P.M. (Eastern time) on any Business Day, such Lender shall make its required payment on the same Business Day. If and to the extent such Lender shall not have made available to the Agent for the account of the Issuing Lender such Lender's Pro Rata Share of such Drawing, such Lender agrees to pay to the Agent for the account of the Issuing Lender, promptly upon demand, such amount, together with interest thereon, for each day from such date until the date such amount is paid to the Agent for the Account of the Issuing Lender at

28

the Federal Funds Rate plus 100 basis points. The failure of any Lender to make available to the Agent for the Account of the Issuing Lender its Pro Rata Share of any Drawing shall not relieve any other Lender of its obligation hereunder to make available to the Agent for the Account of the Issuing Lender its Pro Rata Share of any Drawing on the date so required; provided, however, that no Lender

shall be responsible for the failure of any other Lender to make available to

the Agent for the account of the Issuing Lender such other Lender's Pro Rata Share of such Drawing.

Section 2.4 Swing Line Loan Subfacility.

(a) Swing Line Subfacility. Subject to the terms and conditions

hereof, Crestar Bank, in its individual capacity (as such, the "Swing Line Lender"), shall, in its sole and absolute discretion from and after the Effective Date until one Business Day prior to the Maturity Date, make certain revolving credit loans (each, a "Swing Line Loan" and, collectively, the "Swing Line Loans") to the Borrowers; provided, however, that (i) the aggregate principal amount of all Swing Line Loans shall at no time exceed \$10,000,000 (such amount, the "Swing Line Subfacility"), and (ii) the sum of the aggregate amount of all Revolving Loans (whether bearing interest at the Base Rate or Applicable LIBOR Rate) plus the aggregate amount of all Swing Line Loans plus the aggregate amount of all Standby Letters of Credit shall at no time exceed the Aggregate Commitment.

(b) The Swing Line Note; Maturity. The Swing Line Loans made by the

Swing Line Lender pursuant hereto shall be evidenced by a separate Swing Line Note. The Swing Line Note shall be issued on or before the Effective Date and shall bear interest for the period from the date of the initial funding of any Swing Line Loan until paid in full on the unpaid principal amount thereof. The Swing Line Lender is hereby authorized to record in its books and records (without making any notation on the Swing Line Note or any schedule thereto) the amount and date of funding of each Swing Line Loan made by it, and the amount and date of each payment or prepayment of any Swing Line Loan. No failure to so record nor any error in so recording shall affect the obligations of the Borrowers to repay the actual outstanding principal amount of the Swing Line Loans, with interest thereon, as provided in this Agreement. The aggregate principal amount of the Swing Line Loans shall be payable on the Maturity Date, unless sooner accelerated pursuant to the terms of this Agreement.

(c) Swing Line Loan Borrowing Procedure. Whenever the Borrowers

desire to borrow Swing Line Loans under this Section 2.4, the Borrowers shall deliver to the Swing Line Lender irrevocable written notice (each such notice, a "Swing Line Borrowing Notice"), and the Swing Line Lender may, in its sole and absolute discretion

29

and upon such other arrangements as shall be specifically agreed to by the Swing Line Lender and the Borrowers, make a Swing Line Loan to the Borrowers on the date (which shall be a Business Day), at the time and in the amount so agreed; provided, however, that (i) the principal amount of any Swing Line Loan made hereunder shall not be less than \$1,000,000.00 (and shall be in multiples of \$250,000.00) and (ii) an individual Swing Line Loan shall be offered by the Swing Line Lender for a period of not less than 1 but not more than 29 days (any such period, a "Swing Line Period").

(d) Interest on Swing Line Loans. Subject to the provisions of

clause (e) of this Section 2.4, in the event that the Swing Line Lender shall make any Swing Line Loan pursuant to Section 2.4 hereof, the aggregate principal amount of Swing Line Loans outstanding from time to time shall bear interest at a rate per annum equal to the Base Rate for the applicable Swing Line Period.

(e) Repayment of Swing Line Loans. Each Swing Line Loan made by the

Swing Line Lender hereunder shall be due and payable upon the expiration of the Swing Line Period relating to such Swing Line Loan. The Swing Line Lender may, at any time and in its sole and absolute discretion, by written notice to the Borrowers and the Agent (which shall promptly deliver a copy thereof to the other Lenders), demand repayment of its Swing Line Loans then outstanding by way of a Revolving Loan borrowing (a "Mandatory Borrowing"), in which case the Borrower shall be deemed to have requested a Revolving Loan borrowing in the amount of the then outstanding Swing Line Loans which shall bear interest at the Base Rate; provided, however, that, in the following circumstances, any such

demand shall also be deemed to have been given one Business Day prior to each of (i) the Maturity Date, (ii) the occurrence of any Event of Default described in

clause (g), (h) or (i) of Section 7.1 hereof, (iii) upon acceleration of the Obligations hereunder, whether on account of an Event of Default described in clause (g), (h) or (i) of Section 7.1 or any other Event of Default, and (iv) the exercise of remedies in accordance with the provisions of Section 7.1 hereof. Each Lender hereby irrevocably agrees to make such Revolving Loans promptly upon any such request or deemed request on account of a Mandatory Borrowing, in the amount (but in proportion to each Lender's Pro Rata Share) and in the manner specified in the preceding sentence and on the same such date notwithstanding that (A) the amount of the Mandatory Borrowing may not comply

with the minimum amount for borrowings of Revolving Loans otherwise required hereunder, (B) whether any conditions specified in Section 4.2 are then satisfied, (C) whether a Default or an Event of Default then exists, (D) failure of any such request or deemed request for Revolving Loans to be made by the time otherwise required in Section 2.2 hereof, (E) the date of such Mandatory Borrowing, or (F) any reduction in the Revolving Loan Commitment or termination of the Commitments relating thereto immediately prior to such Mandatory Borrowing or

contemporaneously therewith. In the event that any Mandatory Borrowing cannot for any reason be made on the date otherwise required above (including, without limitation, as a result of the commencement of a proceeding in bankruptcy with respect to the Borrowers), then each Lender hereby agrees that it shall forthwith purchase (as of the date the Mandatory Borrowing would otherwise have occurred, but adjusted for any payments received from the Borrowers on or after such date and prior to such purchase) from the Swing Line Lender such participations in the then outstanding Swing Line Loans as shall be necessary to cause each such Lender to share in such Swing Line Loans ratably based upon its respective Pro Rata Share of the Revolving Loan Commitment (determined before giving effect to any termination of the Revolving Loan Commitments pursuant to the last paragraph of Section 7.1), provided that (x) all interest payable on

the Swing Line Loans shall be for the account of the Swing Line Lender until the date as of which the respective participation of each other Lender is purchased, and (y) at the time any purchase of participations pursuant to this sentence is actually made, the purchasing Lender shall be required to pay to the Swing Line Lender interest on the principal amount of such participation purchased for each day from and including the day upon which the Mandatory Borrowing would otherwise have occurred to but excluding the date of payment for such participation, at the rate equal to, if paid within two (2) Business Days of the date of the Mandatory Borrowing, the Federal Funds Rate, and thereafter at a rate equal to the Base Rate.

(f) Optional Prepayment of Swing Line Loans. Subject to the

provisions of this clause (f) and Section 3.9 hereof, the Borrowers may, at their sole option, prepay the principal amount of the Swing Line Loans in whole or in part (in an amount of \$250,000 or more and in multiples of \$250,000) at any time and from time to time, without premium or penalty. In respect of each Optional Prepayment of a Swing Line Loan proposed to be made by the Borrowers, the right of the Borrowers to make such Optional Prepayment is subject to the

Agent's receipt from the Borrowers, no later than 12:00 P.M. on the Business Day specified therein as the date on which such Optional Prepayment is to be made, of a written notice (which shall be irrevocable) specifying (i) that the

Borrowers desire to prepay such Swing Line Loan, (ii) the principal amount of such Optional Prepayment, and (iii) the date (which shall be a Business Day) on

which such Optional Prepayment will be made. Any Optional Prepayment of a Swing Line Loan, which has not been converted to a Revolving Loan, made by the Borrowers as permitted hereunder shall be paid to the Agent for the account of the Swing Line Lender no later than 12:00 P.M. (Eastern Time) on the applicable prepayment date.

31

ARTICLE III

INTEREST, FEES AND REPAYMENT

Section 3.1 Interest on the Revolving Loans

(a) Base Rate. The initial Revolving Loan and, except as provided

pursuant to clause (b) of this Section 3.1, the aggregate principal amount of the Revolving Loans outstanding from time to time shall bear interest at a rate per annum equal to the Base Rate until the entire principal amount of the Revolving Loans shall have been repaid. Any change in the rate of interest on the Revolving Loans resulting from a change in the Base Rate shall be effective as of the opening of business on the day on which such change is effective.

(b) LIBOR Rate. In the event the Borrowers shall effect a LIBOR

Conversion in accordance with the provisions of Section 3.8 of this Agreement or obtain a Revolving Loan that shall bear interest initially at the Applicable LIBOR Rate as provided in Section 2.2(a) hereof, the aggregate principal amount of the Revolving Loans that are the subject of such LIBOR Conversion or Borrowing Notice, as the case may be, shall bear interest at a rate per annum equal to the Applicable LIBOR Rate. Any change in the Applicable LIBOR Rate resulting from a change in the Consolidated Leverage Ratio shall be effective five (5) Business Days after receipt of Borrowers' financial statements reflecting such ratio; provided, however, that if such financial statements are not delivered when due, then the highest Applicable LIBOR Rate shall apply.

Section 3.2 Regulatory Changes. If, after the date of this

Agreement, any Regulatory Change:

(a) shall subject any Lender to any tax, duty or other charge with respect to its obligation to make or maintain any Loan or its Commitment, or shall change the basis of taxation of payments to such Lender of the principal of or interest on the Loans or in respect of any other amounts due under this Agreement in respect of its obligation to make any Loan or maintain its Commitment (except for changes in the rate of tax on the overall net income of such Lender); or

(b) shall impose, modify or deem applicable any reserve, assessment, special deposit, capital adequacy, capital maintenance or similar requirement against assets of, deposits with or for the account of, or credit extended by, such Lender or shall impose on such Lender any other condition affecting (i) the obligation of the Lender to make or maintain the Loans or its Commitment, or (ii) the Revolving Notes or

32

the Swing Line Note; and the result of any of the foregoing is to increase the cost to such Lender of making or maintaining any Loan or maintaining its Commitment or to reduce the amount of any sum received or receivable by such Lender under, or the rate of return attributable to, this Agreement or under the Revolving Notes or the Swing Line Note, such Lender shall, within 30 days after the effective date of such Regulatory Change, provide written notice to the Borrowers of such Regulatory Change (it being agreed by the parties hereto that if such notice is given after 30 days' of the effective date of such Regulatory Change, the Borrowers shall be liable to the Lenders for the additional amounts payable pursuant to this Section 3.2 only to the extent such additional amounts accrue from and after the date of the giving of such notice), together with a certificate describing in reasonable detail such increase or reduction, as the case may be, then, within 30 days after delivery of such notice by such Lender to the Borrowers if such Regulatory Change shall impose costs in excess of those costs, or reduce the amount of any such sum or rate of return below the amount or rate, applicable on the date of this Agreement, the Borrowers, shall pay to the Agent for the account of such Lender for the account of such Lender such additional amount or amounts as will compensate such Lender for such increase or reduction. A certificate of such Lender setting forth the basis for the amount of said increase or reduction, as the case may be, shall be conclusive in the absence of manifest error.

Section 3.3 Interest After Due Date. In the event the Borrowers

fail to make any payment of the principal amount of or interest on any of the Revolving Loans or Swing Line Loans, or of the Facility Fee, the Administrative Fee, the L/C Fee or the L/C Fronting Fee, in each case within four (4) Business Days after due (whether by demand, acceleration or otherwise), the Borrowers, shall pay to the Agent for the account of the Lenders interest on such unpaid amount, payable from time to time on demand, from the expiration of such four (4) Business Day period following the date such amount shall have become due to the date of payment thereof, accruing on a daily basis, at a per annum rate (the "Default Rate") equal to the sum of (a) the greater of the Base Rate and Applicable LIBOR Rate determined on and, in the case of any continuing default, from time to time after the date of such default plus (b) two percent (2%).

Section 3.4 Payment and Computations.

(a) Payments. All payments required or permitted to be made to the

Agent, to the Agent for the account of the Lenders, or to any Lender under this Agreement or under any Note shall be made in Dollars (i) if to the Agent, at the

Lending Office of the Agent in immediately available funds and (ii) if to any

Lender, to it in immediately available funds at an account specified by such Lender in writing to the

33

Borrowers. If payments are not received by the fourth Business Day following the due date, the Borrowers hereby irrevocably instruct and authorize the Agent to effect each payment of interest on the Loans as of the close of business on the fourth Business Day following each Interest Payment Date, and of each payment of the Facility Fee and the Administrative Fee due as of the close of business on the fourth Business Day following the applicable Fee Payment Date, by effecting Revolving Loans bearing interest at the Base Rate in an amount sufficient to make such payments. If the amount of such payments is greater than the aggregate Lender Availability, the Borrowers hereby irrevocably instruct and authorize the Agent to effect such payments by debiting the Borrowers' Account on such Interest Payment Date or Fee Payment Date, as the case may be, with the aggregate amount thereof, in each case, after giving effect to the crediting to the Borrowers' Account of the proceeds of the Revolving Loan, if any, made on

such Interest Payment Date or Fee Payment Date, as the case may be, in accordance with Section 2.1(b) of this Agreement. The Agent shall provide to the Borrowers an invoice showing the amount of such Revolving Loan or debit, as the case may be, and the manner in which it was calculated.

(b) Computations. Interest on the unpaid portion of the Revolving

Loans, the Swing Line Loans, the Facility Fee and the Administrative Fee shall each be calculated for the actual number of days (including the first day but excluding the last day) elapsed and shall be computed on the basis of a year of 360 days.

(c) Interest and Fee Payment Dates. The Facility Fee and interest on

the Loans shall be payable in arrears (i) in the case of the Revolving Loans and

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Swing Line Loans, on each Interest Payment Date and (ii) in the case of the

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Facility Fee, on each Fee Payment Date. The Administrative Fee and the L/C Fronting Fee shall be payable in advance on each Fee Payment Date. The L/C Fee shall be payable in arrears as provided in Section 2.3(b) hereof.

(d) Application of Payments; Apportionment.

(i) Unless a Lender shall be in default of its obligations to advance any Revolving Loan or reimburse the Agent as provided herein, all payments and prepayments of principal and interest in respect of outstanding Revolving Loans and all payments of fees (other than the Administrative Fee and the L/C Fronting Fee) and all other payments in respect of any other Obligations (other than with respect to Swing Line Loans) shall be allocated among (and paid over promptly after receipt thereof to) such of the Lenders as are entitled thereto in proportion to their respective Pro Rata Shares. All payments and prepayments of principal and interest and other amounts in respect of the Swing

34

Line Loans that have not been converted to Revolving Loans, and all payments of the Administrative Fee and the L/C Fronting Fee, shall be allocated only to the Swing Line Lender.

(ii) Upon the occurrence and during the continuance of an Event of Default, the Agent shall, unless otherwise specified by the Required Lenders as provided in the last paragraph of this clause (ii), apply all payments in respect of any Obligations:

(A) first to pay interest on and then principal of any portion of the Loans which the Agent may have advanced on behalf of any Lender for which the Agent has not then been reimbursed by such Lender or the Borrowers;

(B) second, to pay Obligations in respect of any fees, expense reimbursement or indemnities due to the Agent;

(C) third, to pay Obligations in respect of any fees, expense reimbursement, indemnities, increased costs or breakage then due to the Lenders, pro rata;

(D) fourth, to the ratable payment of overdue interest or late charges, if any, then due the Lenders;

(E) fifth, to the ratable payment of interest due in respect of the Revolving Loans and Swing Line Loans;

(F) sixth, to the ratable payment or prepayment of principal due

in respect of the Revolving Loans and Swing Line Loans; and

(G) seventh, to the ratable payment of all other Obligations;

provided, however, that no Lender which shall be in default of its obligations

to fund Revolving Loans or reimburse the Agent as provided herein shall be entitled to its ratable share of payments in respect of any Obligations prior to the payment to all non-defaulting Lenders of all amounts due such Lenders as provided herein.

The order of priority set forth in this Section 3.4(d)(ii) is set forth solely to determine the rights and priorities of the Agent and the Lenders as among themselves. The order of priority set forth in clauses (C) through (G) of this Section 3.4(d)(ii) may at any time and from time to time be changed by the Required Lenders without necessity of notice to or consent of or approval by the Borrowers, or any other Person.

The order of priority set forth in clauses (A) and (B) of this Section 3.4(d)(ii) may be changed only with the prior written consent of the Agent.

Section 3.5 Payment at Maturity. Any outstanding principal amount

of the Revolving Notes or the Swing Line Note theretofore not repaid, together with any accrued and unpaid Facility Fee, Administrative Fee, L/C Fee or L/C Fronting Fee, any accrued and unpaid interest thereon, together with any other amounts due and payable in accordance with the provisions hereof (including pursuant to Section 9.10 hereof) shall be due and payable in full on the Maturity Date (unless sooner accelerated pursuant to the terms hereof), and this Agreement shall not terminate until all Obligations shall have been paid in full.

Section 3.6 Prepayments; Certain Early Repayments.

(a) Mandatory Prepayment of Loans and Standby Letters of Credit.

(i) Upon the termination of this Agreement pursuant to the first sentence of Section 9.3 of this Agreement (supervening illegality), the Borrowers shall on the Prepayment Date (x) prepay the Loans in full

together with interest accrued on the aggregate principal amount of the Loans to the Prepayment Date, and (y) pay to the Agent, for the account of

the Lenders all other amounts payable pursuant to Sections 3.9 and 9.3 of this Agreement.

(ii) If at any time the Total Outstanding Amount shall be greater than the Aggregate Commitment, the Borrowers shall, without notice from the Lender, prepay that portion of the Loans and/or the Standby Letters of Credit, as the case may be, in an amount equal to such excess.

(b) Optional Prepayments of Revolving Loans. Subject to the terms and

conditions of clause (c) below and Section 3.9 hereof, the Borrowers may, at their sole option, prepay the principal amount of the Revolving Loans (whether bearing interest at the Base Rate or Applicable LIBOR Rate) in whole or in part (in an amount of \$500,000 or more and in multiples of \$100,000) at any time and from time to time, without premium or penalty.

(c) Optional Prepayment Procedure. In respect of each Optional

Prepayment of Revolving Loans (whether bearing interest at the Base Rate or

Applicable LIBOR Rate) proposed to be made by the Borrowers, the right of the Borrowers to make such Optional Prepayment is subject to the Agent's receipt from the Borrowers, no later than 10:00 A.M. (Eastern Time) on the Business Day specified therein as the date on which such Optional Prepayment is to be made (unless such

Optional Prepayment shall relate to LIBOR Loans, in which case such notice shall be given no later than 10:00 A.M. (Eastern time) at least three (3) Business Days prior to the date of prepayment, of a written notice (which shall be irrevocable) specifying (i) that the Borrowers desire to prepay the Revolving

Loans, (ii) the principal amount of such Optional Prepayment, and (iii) the date

(which shall be a Business Day or, if such Optional Prepayment relates to a LIBOR Loan, a LIBOR Business Day) on which such Optional Prepayment will be made. Any Optional Prepayment of Revolving Loans made by the Borrowers as permitted hereunder shall be paid to the Agent for the account of the Lenders no later than 12:00 P.M. (Eastern Time) on the applicable prepayment date (except that any prepayment of a LIBOR Loan shall be paid no later than 10:00 A.M. (Eastern Time) on the applicable prepayment date).

Section 3.7 Facility Fee, Administrative Fee, and Letter of Credit

Fees.

(a) Facility Fee. For each Fiscal Quarter (or part thereof) during

the period from the Effective Date until the Maturity Date, the Borrowers shall pay to the Agent for the account of the Lenders pro rata based upon each Lender's Pro Rata Share of the Revolving Loan Commitment, a Facility Fee (the "Facility Fee") determined based upon the Aggregate Commitment without regard to outstanding amounts of Revolving Loans and Standby Letters of Credit. The Facility Fee shall be computed at a rate per annum equal to the Applicable Facility Fee. The Facility Fee shall be due and payable in arrears on the Fee Payment Date to which such Facility Fee relates and on the Maturity Date, and shall be calculated on the basis of a 360 day year and the actual days elapsed.

(b) Administrative Fee. The Borrowers shall pay to the Agent, as

compensation for the services of the Agent hereunder, a fee (the "Administrative Fee") in an amount separately agreed to by the Borrowers, Crestar Bank and the Agent in that certain letter agreement dated June 18, 1998 (the "Administrative Fee Letter"). The Administrative Fee payable by the Borrowers as contemplated by this clause (b) shall be due on the applicable Fee Payment Date (and the Borrowers shall not be entitled to any credit if any Lender as to which such fee shall have been paid ceases to be a Lender hereunder for the entire year in respect of which such fee shall have been due and payable; provided that if the

Agent resigns as such during any year as to which the Administrative Fee has been paid by the Borrowers, the Agent shall reimburse the Borrowers for the portion of such Administrative Fee related to the period for which the Agent will not continue to serve as Agent, calculated on the basis of a 360-day year and the actual days elapsed).

(c) Letter of Credit Fees. The Borrowers shall pay the L/C Fee and

the L/C Fronting Fee in accordance with the provisions of Section 2.3(b) hereof.

Section 3.8 LIBOR Conversion

(a) Conversion. So long as no Event of Default or Potential Event of

Default shall have occurred and be continuing, the Borrowers shall have the right to convert all or part of the outstanding Revolving Loans bearing interest at the then Base Rate to loans bearing interest at the then Applicable LIBOR Rate (such conversion, a "LIBOR Conversion"); provided, however, that (i) the

LIBOR Period to which such LIBOR Conversion shall relate will not extend beyond the Maturity Date and (ii) there shall not be outstanding at any one time more than eight (8) LIBOR Loans. In order to effect a LIBOR Conversion, the Borrowers shall give the Agent irrevocable written notice (such notice, a "LIBOR Conversion Notice") prior to 10:00 A.M. (Eastern time), at least three LIBOR Business Days prior to the first day of the LIBOR Period to which such LIBOR Conversion shall apply, stating that (i) the Borrowers wish to effect a LIBOR Conversion, (ii) the aggregate principal amount of outstanding Revolving Loans which the Borrowers wish to bear interest at the Applicable LIBOR Rate (it being understood and agreed that no LIBOR Conversion shall be permitted in an amount less than \$3,000,000.00 and shall be in multiples of \$500,000.00), (iii) the applicable LIBOR Period being elected by the Borrowers (it being understood that no change in LIBOR with respect to any LIBOR Loans may be effected during any applicable LIBOR Period) and (iv) the Business Day on which the LIBOR Period is to be effective.

(b) Notice of LIBOR to Borrowers. In the event the Borrowers have

requested a LIBOR Conversion, the Agent shall give written notice to the Borrowers and the Lenders of LIBOR as promptly as reasonably possible after such rate is determined. The Agent's determination of LIBOR shall be conclusive in the absence of manifest error.

(c) Successive Notice of LIBOR Conversion. Subject to the provisions

of clause (a) of this Section 3.8, the Borrowers may, by executing a LIBOR Conversion Notice at least three LIBOR Business Days prior to the first day of the LIBOR Period to which such LIBOR Conversion Notice shall apply, execute successive LIBOR Conversions with respect to any Revolving Loan then outstanding and bearing interest at the Base Rate together with any then outstanding LIBOR Loans the LIBOR Period in respect of which is scheduled to expire on or before the start of the LIBOR Period specified in such LIBOR Conversion Notice. If, with respect to any LIBOR Loans, the Agent shall not have received a LIBOR Conversion Notice for the next immediately succeeding LIBOR Period which complies with the provisions of clause (a) of this Section 3.8, such LIBOR

38

Loans shall, immediately upon the expiration of the then current LIBOR Period and without any notice to the Borrowers, bear interest at the Base Rate in accordance with the provisions of Section 3.1(a) of this Agreement.

(d) Market Disruption, etc. In the event that the Agent (i) shall

have determined (which determination shall be conclusive and binding upon the Borrowers) that by reason of circumstances affecting the London interbank market either adequate or reasonable means do not exist for ascertaining LIBOR elected by the Borrowers pursuant to the terms hereof or (ii) the Agent shall have determined (which determination shall be conclusive and binding on the Borrowers) that the applicable LIBOR will not adequately and fairly reflect the cost to the Agent of maintaining or funding loans bearing interest based on such LIBOR rate, with respect to any portion of the Revolving Loans that the Borrowers have requested be made as a LIBOR Loan (each, an "Affected Advance"), the Agent shall promptly notify the Borrowers (by telephone or otherwise, to be promptly confirmed in writing), with a copy to the Lenders, of such determination. If the Agent shall give such notice, (x) any Affected Advances shall be made as advances which shall bear interest at the Base Rate, and (y) any outstanding LIBOR Loan shall, from and after the last day of the then current LIBOR Period applicable thereto, bear interest at the Base Rate or, if requested by Borrowers in accordance with Section 3.8(a) and the disruption

referred to in clause (i) or (ii) of this Section 3.8(d), as the case may be, is no longer in existence, at the Applicable LIBOR Rate following conversion in accordance with Section 3.8(a). Until any notice under clause (i) or (ii) of this Section 3.8(d) has been withdrawn by the Agent, no amounts outstanding or to be advanced hereunder shall bear interest based upon LIBOR.

Section 3.9 Breakage, etc. In the event of the prepayment of any

LIBOR Loan (whether by way of acceleration or otherwise or due to an Optional Prepayment of any LIBOR Loan pursuant to Section 3.6(b) hereof), the Borrowers shall pay to the Agent for the account of each Lender whose LIBOR Loan has been so prepaid any loss or expense which such Lender may incur or sustain directly as a result of such prepayment, including without limitation, an amount equal to (a) an amount of interest which would have accrued on the amount so prepaid for the period beginning on the date of such prepayment and ending on the last day of the applicable LIBOR Period (such period, the "Breakage Period"), at the Applicable LIBOR Rate minus (b) the amount of interest (as reasonably determined by each affected Lender) which would have accrued to such Lender on such amount by placing such amount on deposit for the Breakage Period with leading banks in the London interbank market, in each case, as evidenced by a certificate delivered to the Borrowers by each affected Lender, which certificate shall be binding upon the Borrowers in the absence of manifest error.

39

ARTICLE IV

CONDITIONS PRECEDENT

Section 4.1 Conditions Precedent The Revolving Loan Commitment of

the Lenders hereunder shall become effective only on the day (the "Effective Date") on which all of the following additional conditions precedent shall have been fulfilled to the satisfaction of the Lenders; provided, however, that in -----
the event the Effective Date shall have not occurred on or prior to August 15, 1998, the Lenders shall have no further obligations hereunder:

(a) The Agent, on behalf of the Lenders, shall have received from the Borrowers the following instruments, agreements, certificates and payments, as the case may be, on or prior to the Effective Date:

- (i) A Revolving Note, dated the Effective Date, payable to the order of each of Lender in the amount of such Lender's Pro Rata Share of the Revolving Loan Commitment and duly executed by the Borrowers;
- (ii) A Swing Line Note, dated the Effective Date, payable to the order of Crestar Bank in the amount of \$10,000,000.00 and duly executed by the Borrowers;
- (iii) An opinion or opinions of counsel to the Borrowers, in form and substance satisfactory to the Lenders;
- (iv) A certified copy of the resolutions of the Board of Directors of each of the Borrowers authorizing the execution and delivery of this Agreement and/or the other Loan Documents to which they are a party;
- (v) A copy of the charter documents and by-laws of each of the Borrowers and any Subsidiaries thereof, together with all amendments thereto, certified by the Secretaries of the applicable Borrower or Subsidiary as being true, complete and correct and in effect as of the Effective Date;
- (vi) By wire transfer of immediately available funds, the Borrowers shall have paid to the Agent, on behalf of the Agent and the Lenders, as applicable, the underwriting fee payable to the Agent and the

Lenders in accordance with the Administrative Fee Letter, which fee shall be nonrefundable;

40

(vii) A certificate of an Authorized Officer of each of the Borrowers, dated the Effective Date, certifying that the matters contained in clauses (b), (c) and (d) of Section 4.2 hereof are true and correct;

(viii) A certificate of an Authorized Officer of the Borrowers, dated the Effective Date, certifying, in form and substance satisfactory to the Lenders, the Borrowers' compliance with Section 6.1(i) hereof, having attached to such certificate a summary in reasonable detail of the Borrowers' and their Subsidiaries' insurance coverage. Upon request of the Lenders, the Borrowers shall deliver an insurance report of an independent insurance broker as to due compliance with Section 6.1(i) hereof; and

(ix) The results of a search, upon the records maintained with the appropriate Secretary of State and county or city recorder offices of all jurisdictions deemed advisable by the Lenders, regarding liens, if any, on file with such offices and naming any of the Borrowers or any Subsidiary as a debtor, which results shall be satisfactory to the Lenders.

(b) The Parent Borrower Public Offering shall have been completed by August __, 1998 [5 business days after signing and deposit in escrow] and resulted in the Parent Borrower's receipt of net proceeds of not less than \$300,000,000;

(c) The Parent Borrower shall have acquired OHI and Operating Borrower on terms satisfactory to the Agent, which terms shall not include the incurrence of more than \$105,000,000 of Indebtedness in connection with such acquisition (other than Indebtedness not to exceed \$5,000,000 in the aggregate representing any balance of intercompany amounts due from Operating Borrower to Union Pacific Corporation that may result from the closing of such acquisition);

(d) The Borrowers shall have delivered to the Lenders (i) the Final Prospectus and (ii) the unaudited consolidated financial statements of the Borrowers' and their Consolidated Subsidiaries as of June 30, 1998, together with, in each case, an officer's certificate, dated the Effective Date, from an Authorized Officer of each of the Borrowers, stating that, to their personal knowledge after having performed such due diligence as would customarily be performed by a corporate officer in their position, such Prospectus and unaudited financial statements, if any, attached thereto as of the Effective Date do not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading;

41

(e) All legal matters incident to this Agreement shall be satisfactory to counsel for the Lenders, and the Borrowers shall have reimbursed the Lenders for their fees and expenses and the reasonable fees and expenses of the Lenders' counsel in connection with the preparation or review, as the case may be, of the Loan Documents and all matters incident thereto (it being understood that such statement may not reflect the final statement of fees and expenses incurred by the Lenders' counsel in connection with such preparation or review);

(f) The Borrowers shall have disclosed to the Lenders promptly from time to time any material developments or changes in the Borrowers and their Subsidiaries', taken as a whole, business, assets, results of operations, condition (financial or otherwise), including without limitation amendments to their charter documents or the Parent Borrower's filings with the SEC and the exhibits thereto, and any material amendments, changes or terminations of any material contracts or the award of or loss of any material bid or proposal. Any such material developments, changes or amendments shall not have had a material

adverse effect on the assumptions contained in the credit analysis of the Borrowers performed by the Lenders prior to the execution of this Agreement or resulted in a material adverse change since June 30, 1998 in the business, assets, results of operations, condition (financial or otherwise) of the Borrowers and their Subsidiaries, taken as a whole;

(g) All Schedules delivered hereunder by the Borrowers shall be in form and substance satisfactory to the Lenders;

(h) By wire transfer of immediately available funds, the Agent shall have received the Administrative Fee due and payable to the Agent pursuant to the Administrative Fee Letter, which fee shall be nonrefundable; and

(i) The Lenders shall have received such other documents, instruments, certificates, opinions, agreements and information as the Lenders or their counsel shall reasonably request in their discretion in connection with the consummation of the transactions contemplated by this Agreement (including, without limitation, current consolidated financial statements of the Borrowers and their Subsidiaries).

Section 4.2 Further Conditions Precedent to Loans and Standby

Letters of Credit. The obligation of the Agent, on behalf of the Lenders, to

make any Revolving Loan, and the obligation of the Swing Line Lender to make any Swing Line Loan, and the obligation of the Issuing Lender to issue any Standby Letter of Credit shall be subject to the fulfillment to the satisfaction of the Lenders, in the case of Revolving

42

Loans and Standby Letters of Credit, and the Swing Line Lender, in the case of Swing Line Loans, of the further conditions precedent that, on the Funding Date for such Revolving Loan or Swing Line Loan or the issuance date for such Standby Letter of Credit, as the case may be:

(a) The Agent shall have received a Borrowing Notice (except as otherwise provided in the last sentence of Section 2.2(a) of this Agreement) in accordance with Section 2.2(a) or the Swing Line Lender shall have received a Swing Line Borrowing Notice in accordance with Section 2.4(c) or the Issuing Lender shall have received a request for a Standby Letter of Credit in accordance with Section 2.3(c), as the case may be, in each case executed by an Authorized Officer of the Borrowers (or other officer of the Borrowers designated by such Authorized Officer as having authority to execute such notice);

(b) The representations and warranties of the Borrowers contained in Article V of this Agreement (except to the extent such representations or warranties relate to a specific prior date) shall be true and correct as of such Funding Date (or, in the case of Standby Letters of Credit, the date of issuance thereof) as though made on and as of such Funding Date (or, in the case of Standby Letters of Credit, the date of issuance thereof) (and, if any such representation and warranty shall not be true and correct, the Borrowers shall describe in writing to the Agent the nature of such misrepresentation and warranty);

(c) No event shall have occurred and be continuing, or shall result from such Revolving Loan or Swing Line Loan after giving effect to the application of the proceeds therefrom or from the issuance of such Standby Letter of Credit if the beneficiary thereof were to fully draw upon such Standby Letter of Credit on the date of issuance, which constitutes an Event of Default or would constitute a Potential Event of Default; and

(d) The Agent shall have received a certificate, addressed to the Lenders (or, in the case of a Swing Line Loan, the Swing Line Lender), of an Authorized Officer of the Borrowers, dated the date of the Borrowing Notice, certifying that the matters contained in clauses (b) (if applicable) and (c) of

ARTICLE V

REPRESENTATIONS

In order to induce the Lenders and the Agent to enter into this Agreement and make the Loans contemplated by the terms hereof, each of the Borrowers represents and warrants with respect to itself and its Subsidiaries, as the context shall require, as of the date hereof and as of the Effective Date that:

Section 5.1 Existence, Power and Authority. The Borrowers and each

Subsidiary thereof are corporations duly incorporated, validly existing and in good standing under the laws of the jurisdictions of their incorporation, with full corporate power and authority to carry on their business as currently conducted and to own or hold under lease their property; the Borrowers and each Subsidiary thereof are duly qualified to do business as a foreign corporation in good standing in each other jurisdiction in which the conduct of their business or the maintenance of their property requires them to be so qualified and where the failure to be so qualified would have a material adverse effect on the financial condition, business or operation of the Borrowers or such Subsidiary; and the Borrowers and their Subsidiaries have full corporate power and authority to execute and deliver the Loan Documents to which they are a party and to carry out the transactions contemplated thereby.

Section 5.2 Authorization; Enforceable Obligations. As of the

Effective Date and thereafter, the Loan Documents to which the Borrowers and their Subsidiaries are a party have been duly authorized, executed and delivered by the Borrowers and such Subsidiaries and constitute legal, valid and binding obligations of the Borrowers and such Subsidiaries, enforceable against the Borrowers and such Subsidiaries in accordance with their respective terms (except as such enforceability may be limited by general principles of the law of equity or by any applicable bankruptcy, reorganization, insolvency, moratorium or similar laws and laws affecting creditors' rights generally).

Section 5.3 No Legal Bar. The execution, delivery and performance

by the Borrowers and their Subsidiaries of the Loan Documents to which they are a party in accordance with their respective terms (a) do not violate the articles of incorporation, by-laws or any preferred stock provision of the Borrowers or such Subsidiaries, (b) do not violate or conflict with any law, governmental rule or regulation, or any judgment, writ, order, injunction, award or decree of any court, arbitrator, administrative agency or other Governmental Authority applicable to the Borrowers or such Subsidiaries or any indenture, mortgage, contract, agreement or other undertaking or instrument to which the Borrowers or such Subsidiaries are a party or by which their respective property

may be bound and/or (c) do not and will not result in the creation or imposition of any Lien on any of their property pursuant to the provisions of any such indenture, mortgage, contract, agreement or other undertaking or instrument.

Section 5.4 Consents. The execution, delivery and performance by

the Borrowers of the Loan Documents to which they are a party does not require any consent, which has not been obtained, of any other Person, including, without limitation, stockholders of the Borrowers or any consent, license, permit, authorization or other approval of, any giving of notice to, exemption by, any registration, declaration or filing with, or any taking of any other action in respect of, any court, arbitrator, administrative agency or

other Governmental Authority.

Section 5.5 Litigation. Except as set forth on Schedule 5.5 hereto,

there is no action, suit, investigation or proceeding by or before any court, arbitrator, administrative agency or other Governmental Authority pending or, to the knowledge of the Borrowers, threatened (a) which involves any of the transactions contemplated by this Agreement or (b) to which the Borrowers or any Subsidiary thereof is a party and which could in the reasonable judgment of the Borrowers materially adversely affect the financial condition, business or operation of the Borrowers or any Subsidiary thereof.

Section 5.6 No Default. Except as set forth on Schedule 5.6 hereto

in writing, as of the Effective Date neither any Borrower nor any Subsidiary thereof is in default under any material order, writ, injunction, award or decree of any court, arbitrator, administrative agency or other Governmental Authority binding upon it or its property, or any material indenture, mortgage, contract, agreement or other undertaking or instrument to which it is a party or by which its property may be bound, and nothing has occurred which would materially adversely affect the ability of any of the Borrowers or their Subsidiaries to carry on their respective business or perform their respective obligations under any such material order, writ, injunction, award or decree or any such material indenture, mortgage, contract, agreement or other undertaking or instrument.

Section 5.7 Financial Condition. The financial statements of the

Borrowers and their Subsidiaries as of June 30, 1998, copies of which have been furnished to the Lenders, were prepared in accordance with GAAP and are complete and correct and fairly and accurately present the financial condition of the Borrowers and their Subsidiaries (taken as a whole) as of their dates and the results of their operations for the periods then ended, subject to normal year-end adjustments. There has been no material adverse change in the financial condition of the Borrowers (taken

45

as a whole) or the results of their operations since the date of such financial statements.

Section 5.8 Use of Proceeds. None of the proceeds of any Loan have

been or will be used to purchase or carry, or reduce or retire or refinance any credit incurred to purchase or carry, any margin stock (within the meaning of Regulations G, U and X of the Board of Governors of the Federal Reserve System) or to extend credit to others for the purchasing or carrying of any margin stock. Neither the Borrowers nor any of their Subsidiaries are engaged in the business of extending credit for the purpose of purchasing or carrying any margin stock.

Section 5.9 Borrowers Not Investment Companies. Neither the

Borrowers nor any of their Subsidiaries are an "investment company", or a company "controlled" by an "investment company", within the meaning of the Investment Company Act of 1940, as amended.

Section 5.10 Taxes. The Borrowers and their Subsidiaries have filed

or caused to be filed all tax returns which are required by applicable law to be filed by them and have paid or caused to be paid all taxes which have been shown to be due and payable by such returns or tax assessments received by the Borrowers or any Subsidiary thereof to the extent that such taxes have become due and payable, except (a) for those taxes or tax assessments that are not delinquent, (b) to the extent such taxes or tax assessments are being contested in good faith and for the payment of which reserves required by GAAP have been provided, and (c) in any given instance or in the aggregate do not involve a

potential tax liability in excess of \$1,000,000.

Section 5.11 Subsidiaries. As of the Effective Date there will be

no Affiliates or Subsidiaries (consolidated or otherwise, direct or indirect) of the Borrowers other than (a) the Subsidiaries set forth on Schedule 5.11 hereto and (b) in the case of Affiliates, certain other Persons disclosed in writing to the Lenders prior to the date hereof. Except as set forth on Schedule 5.11, the Borrowers are the holder (either directly or indirectly) of all of the outstanding shares of Capital Stock of each Subsidiary.

Section 5.12 Permits, Licenses, Etc. Each of the Borrowers and each

Subsidiary possesses all permits, licenses, franchises, trademarks, trade names, copyrights and patents necessary to the conduct of its business as presently conducted, except where the failure to possess the same would not have a material effect on the financial condition, operations or assets of Borrowers and their Subsidiaries taken as a whole.

46

Section 5.13 Compliance With Laws.

(a) Compliance - General. Each of the Borrowers and their Subsidiaries

are in compliance in all material respects with all Regulations required by applicable law for it to conduct its business (including obtaining all authorizations, consents, approvals, orders, licenses, exemptions from, and making all filings or registrations or qualifications with, any court or governmental department, public body or authority, commission, board, bureau, agency, instrumentality or other Governmental Authority), the noncompliance with which could have a material adverse effect on the business, operations, assets or condition (financial or otherwise) of the Borrowers and their Subsidiaries taken as a whole.

(b) Hazardous Wastes, Substances and Petroleum Products.

(i) The Borrowers and each Subsidiary: (x) have received all permits and filed all material notifications necessary to carry on their respective business(es) under, and (y) are in compliance in all material respects with, all Environmental Control Statutes.

(ii) Neither the Borrowers nor any Subsidiary has given any written or oral notice, nor has it failed to give required notice, to the Environmental Protection Agency or any state or local agency with regard to any actual or imminently threatened Release of Hazardous Substances on properties owned, leased or operated by Borrowers or any Subsidiary or used in connection with the conduct of its business and operations, which Release of Hazardous Substance could have a material adverse effect on the business, operations, assets or condition of the Borrowers and their Subsidiaries taken as a whole.

(iii) Neither the Borrowers nor any Subsidiary has received notice that it is potentially responsible for costs of clean-up or remediation of any actual or imminently threatened Release of Hazardous Substances pursuant to any Environmental Control Statute, which costs could have a material adverse effect on the business, operations, assets or condition of the Borrowers and their Subsidiaries taken as a whole.

(iv) To the knowledge of the Borrowers, no real property owned or leased by the Borrowers or any Subsidiary is in material violation of any Environmental Control Statutes, no Hazardous Substances are present on such real property that would give rise to a material liability under applicable Environmental Control Statutes, and neither the Borrowers nor any Subsidiary has been identified in any litigation, administrative

as a potentially responsible party for any liability under any Environmental Control Statutes that could have a material adverse effect on the business, operations, assets or condition of the Borrowers and their Subsidiaries taken as a whole.

Section 5.14 OHI. As of the Effective Date one hundred percent

(100%) of the outstanding Capital Stock of OHI will be owned by Parent Borrower, and OHI will in turn own one hundred percent (100%) of the outstanding Capital Stock of Operating Borrower. Except for the ownership of Capital Stock of Operating Borrower, as of the Effective Date OHI will not own any assets and will not engage in any business activities.

Section 5.15 Amounts Owed to or from Affiliates; Intercompany

Agreements.

(a) Affiliates. Except as disclosed on Schedule 5.15, as of the

Effective Date there will not be outstanding and unpaid any debt, loan, advance, guaranty or investment (i) by any Borrower or any Subsidiary to or for the benefit of any Subsidiary or Affiliate of Borrower or (ii) to any Borrower or any Subsidiary from any Subsidiary or Affiliate of Borrower (collectively, "Intercompany Debt"), and there will not have been paid (x) by any Borrower to or for the benefit of any Affiliate of Borrowers or (y) to any Borrower or any Subsidiary from any Subsidiary or Affiliate of Borrowers, any amount for management, administrative, operational, consulting, brokerage or other services. As of the Effective Date, neither any Borrower nor any Subsidiary will have prepaid to or for the benefit of any Subsidiary or Affiliate of Borrowers any Intercompany Debt or amount for management, administrative, operational, consulting, brokerage or other services.

(b) Intercompany Agreements. Except as disclosed on Schedule 5.15

hereto, as of the Effective Date there will not be any agreements between any Borrower or any Subsidiary and any Subsidiary or Affiliate of Borrowers relating to the extension of any funds to any Borrower, the sharing of any costs among Borrowers and any Subsidiary or Affiliate of Borrowers or the provision of any management, administrative, operational, consulting, brokerage or other services to Borrowers ("Intercompany Agreements").

Section 5.16 Maintenance of Insurance. The Borrowers and their

Subsidiaries maintain insurance with financially sound and reputable insurance companies or associations in such amounts and covering such risks as are usually

carried by companies engaged in the same or a similar business and similarly situated, which insurance may provide for reasonable deductibility from coverage thereof.

Section 5.17 Properties. Each Borrower and each of their

Subsidiaries has such title to the real property owned by it as is necessary or desirable to the conduct of its business and valid and legal title to all of its material personal property and assets, subject to the Permitted Liens.

Section 5.18 Change. No material adverse change has occurred in the

business, operations, property, financial condition or prospects of the

Borrowers and their Subsidiaries since June 30, 1998.

Section 5.19 Outstanding Letters of Credit, Suretyship Agreements and

Similar Arrangements. Except as disclosed on Schedule 5.19, there are no

outstanding letters of credit, suretyship agreements or similar arrangements in respect of which one or more of the Borrowers or any of their Subsidiaries have reimbursement or indemnification obligations. Schedule 5.19 includes a description of the amounts and principal terms, or copies of, all such letters of credit, suretyship agreements and similar arrangements.

Section 5.20 Disclosure Generally. All written information, reports

and other papers and data produced by or on behalf of the Borrowers or any Subsidiary and furnished to the Lenders were, at the time they were so furnished, and, except to the extent that they have been updated or supplemented by additional written information, reports or other papers and data produced by the Borrowers or any Subsidiary and furnished to the Lenders on or before the Effective Date, are, as of the Effective Date, complete and correct in all material respects to the extent necessary to give the recipient a true and accurate knowledge of the subject matter. No document furnished or written statement made to the Agent or the Lenders by the Borrowers or any Subsidiary in connection with the negotiation, preparation or execution of this Agreement or any of the Loan Documents contains any untrue statement of a fact material to the creditworthiness of the Borrowers or any of their Subsidiaries or omits to state a fact necessary in order to make the statements contained therein not misleading in any material respect.

Section 5.21 Year 2000 Compliance. The Borrowers have (a) initiated

a review and assessment of all areas within their and each of the Subsidiaries' business and operations (including those affected by suppliers and vendors) that could be adversely affected by the risk that computer applications used by the Borrowers or any of their Subsidiaries (or their suppliers and vendors) may be unable to recognize and

49

perform properly date-sensitive functions involving certain dates prior to and any date after December 31, 1999 (the "Year 2000 Problem"), (b) developed a plan and timeline for addressing the Year 2000 Problem on a timely basis, and (c) to date, implemented that plan in accordance with that timetable. The Borrowers reasonably believe that all computer applications (including those of their suppliers and vendors) that are material to them or any of their Subsidiaries' business and operations will on a timely basis be able to perform properly date-sensitive functions for all dates before and after January 1, 2000 (such compliance, "Year 2000 Compliant"), except to the extent that a failure to do so could not reasonably be expected to have a material adverse effect on the Borrowers and their Subsidiaries, taken as a whole.

ARTICLE VI

COVENANTS

Section 6.1 Affirmative Covenants. The Borrowers covenant and

agree for themselves and their Subsidiaries (in which case the Borrowers shall cause such Subsidiaries to take or refrain from taking the actions described below) that, so long as this Agreement shall remain in effect or any Obligation shall remain unpaid:

(a) Information. The Borrowers shall deliver to the Agent and each

Lender:

(i) Audited Annual Financials. As soon as available but within

ninety-five (95) days of the end of each fiscal year of the Borrowers ending December 31 (each such year, a "Fiscal Year"), a full and complete set of the annual audited consolidated financial statements (including statements of financial condition, income, cash flows and changes in shareholders' equity), together with all notes thereto, of the Borrowers and their Consolidated Subsidiaries prepared in accordance with GAAP and certified by an independent accounting firm of national recognition reasonably acceptable to the Required Lenders (which certificate shall be accompanied by an unqualified opinion of such accounting firm of such statements).

(ii) Quarterly Financial Statements. As soon as available but

within fifty (50) days following the end of each of the Borrowers' Fiscal Quarters, internally prepared consolidated financial statements of the Borrowers and their Consolidated Subsidiaries (including a balance sheet, income statement and statement of cash flows). The financial statements required to be delivered

50

under this clause (ii) shall be accompanied by a certificate of an Authorized Officer of the Borrowers to the effect that the information contained therein is true and accurate as of the date of such certificate.

(iii) Exchange Act and Securities Act Filings. Within five (5)

days following the filing with the SEC, copies of all filings by it or any of its Subsidiaries under the Exchange Act (including reports on Forms 10-Q, 10-K and 8-K) and registration statements filed with the SEC under either the Securities Act or the Exchange Act. The Parent Borrower shall deliver to each Lender and the Agent copies of all of the Parent Borrower's Annual Reports and Proxy Statements and, at the request of such Lender, any other shareholder communication.

(iv) No Default. Within fifty (50) calendar days after the

end of each of the first three Fiscal Quarters of each Fiscal Year and within ninety-five (95) calendar days after the end of each Fiscal Year, a certificate signed by an Authorized Officer of Parent Borrower certifying that, to the best of such officer's knowledge, after due inquiry, (x) the Borrowers and each Subsidiary have complied with all covenants, agreements and conditions in each Loan Document, and (y) no event has occurred and is continuing which constitutes an Event of Default or Potential Default, or describing each such event and the remedial steps being taken by Borrower.

(v) Compliance. Within forty-five (45) calendar days after

the end of each of the first three Fiscal Quarters of each Fiscal Year and within ninety (90) calendar days after the end of each Fiscal Year, a certificate signed by an Authorized Officer of Parent Borrower demonstrating compliance with all financial covenants (including all relevant calculations) and representations contained in this Agreement as of the end of such period. Such certificate will be in such form as the Agent may reasonably request from time to time. Upon the request of the Agent, the Authorized Officer shall provide any and all reports, audits, and such other information upon which said officer may have relied in signing such certificate.

(vi) ERISA. Within fifteen (15) Business Days of filing, all

reports and forms filed with respect to all Benefit Plans, except as filed in the normal course of business and that would not result in an adverse action to be taken under ERISA, and details of related information of a Reportable Event.

(vii) Material Changes. Within five (5) Business Days of the

occurrence thereof, notice of any litigation, administrative proceeding, investigation, business development, or change in financial condition which could reasonably be expected to have an effect of \$5,000,000 or more on the business, operations, assets or condition (financial or otherwise) of the Borrowers and their Subsidiaries taken as a whole.

(viii) Other Information. All material press releases promptly

following release. In addition, promptly upon request by the Agent or the Lenders from time to time, the Parent Borrower shall provide such other information and reports regarding the operations, business affairs, prospects and financial condition of Borrowers and their Subsidiaries as the Agent or the Lenders may reasonably request.

(b) Financial Covenants.

(i) Consolidated Indebtedness to Consolidated Cash Flow Ratio.

The Borrowers and their Subsidiaries, taken as a whole, shall maintain, for (and at all times during) each Fiscal Quarter beginning with the Fiscal Quarter ending June 30, 1998 (the "Initial Fiscal Quarter"), a ratio of Consolidated Indebtedness to Consolidated Cash Flow of not greater than 3.00 to 1.00. For purposes of this clause (b)(i), Consolidated Indebtedness shall include the present value (discounted at 10%) of the future minimum operating lease requirements of the Borrowers and their Consolidated Subsidiaries. The ratio contemplated by this clause (b)(i) shall be computed on a rolling four quarter basis and shall include the Fiscal Quarter for which such ratio shall be determined plus the immediately preceding three Fiscal Quarters.

(ii) Consolidated Fixed Charge Ratio. The Borrowers and their

Subsidiaries, taken as a whole, shall at all times maintain, for (and at all times during) each Fiscal Quarter beginning with the Initial Fiscal Quarter, a ratio of (x) Consolidated Cash Flow to (y) interest charges plus rental expenses under operating leases of not less than 3.25 to 1.00. The ratio contemplated by this clause (b)(ii) shall be computed on a rolling four quarter basis and shall include the Fiscal Quarter for which such ratio shall be determined plus the immediately preceding three Fiscal Quarters.

(iii) Consolidated Tangible Net Worth Ratio. The Borrowers and

their Subsidiaries, taken as a whole, shall maintain, for (and at all times during) each Fiscal Quarter beginning with the Initial Fiscal Quarter, a Consolidated

Tangible Net Worth of not less than (w) eighty-five percent (85%) of Consolidated Tangible Net Worth as of the Effective Date plus (x) eighty-

five percent (85%) of the net proceeds resulting from any exercise of the underwriters' overallotment option in connection with the Parent Borrower Public Offering plus (y) fifty percent (50%) of Consolidated Net Income

(computed on a cumulative basis for each Fiscal Quarter during the term of this Agreement, from the Initial Fiscal Quarter to the date of determination plus (z) one hundred percent (100%) of the net proceeds from

the issuance for cash of any Capital Stock of the Borrowers, after the later of the Effective Date and the closing of any exercise of the underwriters' overallotment option in connection with the Parent Borrower Public Offering.

(c) Proceeds. The Borrowers shall use the proceeds of the Loans and -----

the Standby Letters of Credit for the Permitted Uses and for no other purpose.

(d) Payment of Debts and Taxes. The Borrowers and their -----

Subsidiaries shall pay all debts, liabilities, taxes, assessments and other governmental charges when due in the ordinary course; provided, however, that no ----- such debt, liability, tax, assessment or other governmental charge need be paid if such is being contested in good faith by appropriate legal proceedings and if such reserves or other appropriate provision, if any, as shall be required by GAAP shall have been made therefor.

(e) ERISA. (i) The Borrowers and their Subsidiaries shall comply in -----

all material respects with the provisions of ERISA to the extent applicable to any Benefit Plan maintained for the employees of the Borrowers, any Subsidiary or any ERISA Affiliate; (ii) do or cause to be done all such acts and things that are required to maintain the qualified status of each Benefit Plan and tax exempt status of each trust forming part of such Benefit Plan; (iii) not incur any material Accumulated Funding Deficiency or any material liability to the PBGC; (iv) permit any event to occur (x) as described in Section 4042 of ERISA or (y) which may result in the imposition of a Lien on its properties or assets; and (v) notify Lenders in writing promptly after it has come to the attention of senior management of the Borrowers of the assertion or threat of any Reportable Event or other event described in Section 4042 of ERISA (relating to the soundness of a Benefit Plan) or the PBGC's ability to assert a material liability against it or impose a lien on any Borrower's, any Subsidiary's, or any ERISA Affiliate's properties or assets; and (f) refrain from engaging in any Prohibited Transactions or actions causing possible liability under Section 502 of ERISA.

(f) Conduct and Maintenance of Business. The Borrowers and their -----

Subsidiaries shall continue to engage in business of the same general type as now

53

conducted by the Borrowers and their Subsidiaries. The Borrowers and their Subsidiaries will conduct and manage their respective businesses and affairs in the ordinary course, and shall take all steps necessary and reasonable for the purpose of preserving the value of their respective businesses and assets.

(g) Preservation of Corporate Existence. The Borrowers and their -----

Subsidiaries shall at all times preserve and keep in full force and effect their respective corporate existence and their respective rights, privileges, licenses and franchises which are necessary in the normal conduct of their business.

(h) Books and Records. The Borrowers and their Subsidiaries shall -----

at all times keep and maintain complete and accurate books, accounts and records of their operations and affairs in accordance with GAAP and customary and sound business practices, and shall permit each Lender and the Agent and their respective officers, employees, agents and representatives to, from time to time upon reasonable notice, have access to its place of business, examine such books, accounts and records and make copies thereof and discuss the affairs and finances of the Borrowers or their Subsidiary with any of their respective officers or directors.

(i) Insurance. The Borrowers and their Subsidiaries shall maintain

in full force and effect policies of insurance with responsible and reputable insurance companies or associations in such amounts as are within an acceptable range for and covering such risks as are usually and customarily insured against by companies engaged in similar businesses and owning similar properties in the same general area in which the Borrowers and their Subsidiaries are engaged.

(j) Compliance with Laws. The Borrowers and their Subsidiaries

shall comply with all applicable Regulations a breach of which could have a material adverse effect on the financial condition or business of the Borrowers and their Consolidated Subsidiaries (taken as a whole).

(k) Compliance with Loan Documents. The Borrowers and their

Subsidiaries shall comply with the terms and agreements contained in each Loan Document to which they are a party.

(l) Lending Relationship with the Agent. The Borrowers shall

maintain with the Agent the Borrowers' Account.

(m) Ownership of Operating Borrower. The Parent Borrower will at all

times own directly, or indirectly through Parent Borrower's ownership of one hundred

54

percent (100%) of each class of Capital Stock of OHI, all of the shares of each class of Capital Stock of the Operating Borrower.

(n) Notice of Default. The Borrowers shall, promptly after becoming

aware thereof, deliver to each Lender and the Agent notice of any Event of Default and Potential Event of Default.

(o) Notice of Environmental Claims. The Borrowers shall deliver to

each Lender and the Agent a copy of any notice or other communication (i) alleging any material violation by the Borrowers or their Subsidiaries of any Environmental Control Statutes or (ii) under which the Borrowers or their Subsidiaries shall admit to any such material violation. Each copy of any such notice shall be delivered to the Lenders and the Agent promptly following the receipt or issuance thereof by the Borrowers or such Subsidiary.

(p) Payments Pari Passu. Under applicable laws in force from time

to time, the claims and rights of the Lenders and the Agent against the Borrowers and their Subsidiaries under the Loan Documents will not be subordinate to, and will rank at least pari passu with, the claims and rights of each other unsecured creditor of the Borrowers and their Subsidiaries.

(q) Year 2000 Compliance. The Borrowers will promptly notify the

Agent in the event the Borrowers discover or determine that any computer application (including those of their suppliers and vendors) that is material to them or any of their Subsidiaries' business and operations will not be Year 2000 Compliant on a timely basis, except to the extent that such failure could not reasonably be expected to have a material adverse effect upon the Borrowers and their Subsidiaries, taken as a whole.

(r) Further Assurances. The Borrower shall do such further acts and

things and execute and deliver to the Agent such additional assignments, agreements, powers and instruments, as the Lenders may reasonably require or

reasonably deem advisable to carry into affect the purposes of this Agreement or to better assure and confirm unto them their rights, powers and remedies hereunder.

Section 6.2 Negative Covenants. The Borrowers covenant and agree

for themselves and their Subsidiaries (in which case the Borrowers shall cause such Subsidiaries to take or refrain from taking the actions described below), that, so long as this Agreement shall remain in effect or any Obligation shall remain unpaid:

55

(a) Liens. The Borrowers and their Subsidiaries shall not,

directly or indirectly, create, incur, assume, grant, pledge or permit to exist any Lien on the property or assets of the Borrowers and their Subsidiaries other than Permitted Liens.

(b) Indebtedness. Neither the Borrowers nor any of their

Subsidiaries shall, directly or indirectly, create, incur, assume or otherwise become or remain directly or indirectly liable with respect to, any Indebtedness, other than:

(i) the Indebtedness incurred by the Borrowers hereunder and evidenced by the Revolving Notes and the Swing Line Note;

(ii) the Indebtedness evidenced by the Standby Letters of Credit, if any, issued by the Lenders in accordance with Section 2.3 hereof;

(iii) Indebtedness of the type secured by Permitted Liens which does not exceed (in each case and in the aggregate and as to the Borrowers and their Subsidiaries, taken as a whole) the respective amounts set forth in the definition of Permitted Liens;

(iv) Indebtedness in the form of (x) any guarantee, suretyship agreement, or similar arrangement effecting the assumption of a debt or obligation of the Borrowers or any Subsidiary as to which one or more of the Borrowers or any Consolidated Subsidiary has a reimbursement or indemnification obligation, or the endorsement of any promissory note or other instrument of obligation of any other Subsidiary thereof, in each case which is entered into in the ordinary course of the Borrower's or Subsidiary's business and are necessary and beneficial in connection with the operation thereof, or (y) any guarantee, suretyship agreement, or similar arrangement effecting the assumption of a debt or obligation of any Person (other than the Borrowers or a Subsidiary thereof) as to which one or more of the Borrowers or any Subsidiary has a reimbursement or indemnification obligation, or the endorsement of any promissory note or other instrument of obligation of any Person (other than the Borrowers or a Subsidiary thereof), in each case which is entered into in the ordinary course of the Borrower's or Subsidiary's business, are necessary and beneficial in connection with the operation thereof and the aggregate amount of all such guarantees, suretyship agreements, or other similar arrangements shall not exceed in the aggregate \$1,000,000.00;

(v) Indebtedness of the types described in clauses (ii) and (iv) of this Section 6.2(b) that, together with any other letters of credit issued for the account of one or more of the Borrowers or any Subsidiary thereof as to which

56

one or more of the Borrowers or any Subsidiary thereof have reimbursement or indemnification obligations, does not exceed \$85,000,000 in the

aggregate; and

(vi) Indebtedness in the form of trade debt, accounts payable and other similar Indebtedness incurred in the ordinary course of the Borrowers' or their Subsidiaries' business.

(c) Capital Stock. Without the prior written consent of the

Required Lenders, neither the Borrowers nor any Subsidiary thereof shall, directly or indirectly, repurchase, redeem or retire any of their Capital Stock, declare or pay any cash dividends on their Capital Stock, except that the Borrowers may:

(i) declare and pay dividends or make other distributions on their Capital Stock if the Borrowers would be in compliance with all provisions of this Agreement, including without limitation the financial ratios contained in Section 6.1 hereof after giving effect to the payment or distribution thereof; and

(ii) repurchase, redeem or retire Capital Stock of the Parent Borrower at an aggregate cost of up to (x) \$4,000,000.00 per Fiscal Year and (y) a total of \$15,000,000 following the Effective Date.

(d) Loans. Neither the Borrowers nor any Subsidiary thereof shall,

directly or indirectly, make any loans or advances to any corporate officers or directors, or any employees, or any insiders or Affiliates or to any Subsidiary of the Borrowers, other than:

(i) travel, relocation and other salary advances made in the ordinary course of the Borrowers' or their Subsidiaries' business;

(ii) loan the proceeds of the Revolving Loans or Swing Line Loans to any Subsidiary of the Borrowers for the purpose of financing the acquisition of any Target as contemplated by, and in accordance with the limitations contained in, Section 6.2(e) hereof; and

(iii) loans to any officer of the Borrowers and their Subsidiaries for the purpose of enabling such officer to purchase securities of the type described in Section 6.2(c) (ii) hereof, provided

that the aggregate amount of all loans made pursuant to this clause and outstanding from time to time shall not exceed \$500,000.00.

57

(e) No Merger or Acquisition. Without the prior written consent of

the Required Lenders, neither the Borrowers nor any Subsidiary thereof shall acquire, whether by stock or asset purchase, merger, consolidation or other business combination, any corporation, partnership, limited liability company, joint venture or other business organization that, as a result of such transaction, becomes a Subsidiary of the Borrowers or one or more of their Subsidiaries (any such entity, the "Target"); provided, however, that the

Borrowers or any direct or indirect Consolidated Subsidiary thereof may acquire, either by way of stock or asset acquisition, merger, consolidation or otherwise, one or more Targets involved in a line of business similar to the line of business of the Borrowers if:

(i) for any calendar year during the term of this Agreement, the aggregate consideration (whether such consideration shall consist of stock, cash, the assumption of debt, or otherwise, and whether or not paid at closing or deferred) (any such consideration, "Acquisition Consideration") paid for all Targets acquired during such Fiscal Year shall not exceed \$50,000,000;

(ii) for any calendar year during the term of this Agreement, the cash component (which, for the purposes of this clause (ii), shall include all cash and cash equivalents and the assumption of debt, whether or not paid at closing or deferred) of Acquisition Consideration paid for all Targets acquired during such Fiscal Year shall not exceed \$15,000,000;

(iii) the Borrowers and their Subsidiaries shall, after giving effect to the acquisition of any such Target as provided above, be in compliance with all of the terms of this Agreement including the financial covenants described in Section 6.1(b) hereof as determined on a pro forma basis;

(iv) such acquisition, merger, consolidation (or otherwise) is not hostile or pursued by way of tender offer, proxy contest or other contested manner (unless the Required Lenders shall have waived in writing compliance with this clause (v));

(v) for any calendar year during the term of this Agreement (including the calendar year beginning January 1, 1998), Targets that are not organized under the laws of a state of the United States of America or the District of Columbia or of Canada or any province thereof may not be so acquired; and

(vi) three (3) Business Days prior to consummation thereof, the Borrowers shall have delivered to the Agent (which shall promptly deliver a copy

58

to the Lenders) a certificate, executed by an Authorized Officer of the Borrowers, demonstrating in sufficient detail compliance with the financial covenants contained in this Section 6.2(e) and, further, certifying that, after giving effect to the consummation of such acquisition, merger, consolidation (or otherwise), the representations and warranties of the Borrowers contained herein will be true and correct and that the Borrowers, as of the date of such consummation, will be in compliance with all other terms and conditions contained herein.

(f) Accounting Policies; Fiscal Year. The Borrowers and their

Subsidiaries shall not, without the prior written consent of the Required Lenders, make any material change in accounting policies or reporting practices not required by GAAP as applied in the Borrowers' industry, including a change in their Fiscal Year.

(g) Disposition of Assets. Neither the Borrowers nor any

Subsidiary thereof shall, without the prior written consent of the Required Lenders, sell, transfer or otherwise dispose of (including by way of a sale and leaseback transaction) any its assets (whether real or personal) other than in the ordinary and usual course of its business.

(h) Permitted Investments. Neither the Borrowers nor any

Subsidiary thereof shall, without the prior written consent of the Required Lenders, make any Investment except for Permitted Investments (it being understood and agreed that this clause (h) shall not prohibit the investment in any Target to the extent permitted by the provisions of Section 6.2(e) hereof).

ARTICLE VII

EVENTS OF DEFAULT

Section VII.1 Events of Default. If one or more of the following

events or conditions (each, an "Event of Default") shall occur and be continuing, that is to say:

(a) the Borrowers default in the payment of principal of any Revolving Note or the Swing Line Note when due; or

(b) the Borrowers default in the payment of interest on any Loan, or of the Facility Fee, the Administrative Fee, any L/C Fee, the L/C Fronting Fee, or of any other fee, expense or other amount payable hereunder after the same becomes due

59

and payable for more than four (4) Business Days after notice thereof has been given by the Agent to the Borrowers (which notice may be telephonic); or

(c) the Borrowers or any Subsidiary default in any payment of principal of or interest on, or fees and expenses relating to any other obligation for borrowed money beyond any period of grace provided with respect thereto or in the performance of any other agreement, term or condition contained in any instrument or agreement evidencing, securing, guaranteeing or otherwise relating to any such obligation and shall not have cured such default within any period of grace provided by such agreement and such obligation, either individually or in the aggregate, is for an amount in excess of \$2,500,000 of the Indebtedness of the Borrowers; or

(d) any written representation or warranty made by the Borrowers in or pursuant to this Agreement or any other Loan Document or in any other documents, certificates, financial statements or reports furnished by the Borrowers or any Subsidiary of any thereof in connection with the transactions contemplated hereby shall prove to have been false or misleading in any material respect as of the time made or furnished or deemed made or furnished; or

(e) (i) the Borrowers shall default in the performance or observance of any covenant, condition or agreement contained in clause (a) (iii) (ix), (c), (d), (e), (f), (g), (h), (i), (o) (p) or (r) of Section 6.1 and such default shall remained unremedied for more than ten (10) Business Days, or (ii) the Borrowers shall default in the performance or observance of any other covenant, condition or agreement contained in Section 6.1 or any covenant, condition or agreement contained in Section 6.2; or

(f) the Borrowers shall default in the performance or observance of any other covenant, condition or provision hereof or in any other Loan Document and such default shall not be remedied within thirty (30) days after written notice thereof is received by the Borrowers from any Lender or the Agent; or

(g) a proceeding (other than a proceeding commenced by the Borrowers or any Subsidiary thereof, as the case may be) shall have been instituted in a court having jurisdiction in the premises seeking a decree or order for relief in respect of the Borrowers or such Subsidiary in an involuntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or for the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of the Borrowers or such Subsidiary or for any substantial part of its total assets, or for the winding-up or liquidation of its affairs and such proceedings shall remain undismissed or unstayed and in effect for a period of forty-five (45) consecutive

60

days or such court shall enter a decree or order granting the relief sought in such proceeding; or

(h) the Borrowers or any Subsidiary thereof, as the case may be, shall commence a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, shall consent to the entry of an order for relief in an involuntary case under any such law, or shall consent to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or other similar official) of the Borrowers or

such Subsidiary or for any substantial part of their total assets, or shall make a general assignment for the benefit of creditors, or shall fail generally to pay their debts as they become due, or shall take any corporate action in furtherance of any of the foregoing; or

(i) a judgment or order shall be entered against the Borrowers or any Subsidiary thereof, by any court, and (i) in the case of a judgment or order for the payment of money, either (a) such judgment or order shall continue undischarged and unstayed for a period of thirty (30) days in which the aggregate amount of all such judgments and orders exceeds \$1,000,000.00 or (b) enforcement proceedings shall have been commenced upon such judgment or order and (ii) in the case of any judgment or order for other than the payment of money, such judgment or order could, in the reasonable judgment of any Lender, together with all other such judgments or orders, have a materially adverse effect on the Borrowers and their Subsidiaries taken as a whole; or

(j) the representations set forth in Section 5.14 shall cease to be true and correct; or

(k) (i) any Termination Event shall occur with respect to any Benefit Plan, (ii) any Accumulated Funding Deficiency, whether or not waived, shall exist with respect to any Benefit Plan, (iii) any Person shall engage in any Prohibited Transaction involving any Benefit Plan, (iv) the Borrowers or any ERISA Affiliate shall be in "default" (as defined in ERISA Section 4219(c)(5)) with respect to payments owing to a Multiemployer Benefit Plan as a result of the Borrowers' or any ERISA Affiliate's complete or partial withdrawal (as described in ERISA Section 4203 or 4205) from such Multiemployer Benefit Plan, (v) the Borrowers or any ERISA Affiliate shall fail to pay when due an amount that is payable by it to the PBGC or to a Benefit Plan under Title IV of ERISA, or (vi) a proceeding shall be instituted by a fiduciary of any Benefit Plan against the Borrowers or any ERISA Affiliate to enforce ERISA Section 515 and such proceeding shall not have been dismissed within 30 days thereafter, except that no event or condition referred to in clauses (i) through (vi) shall constitute an Event of

61

Default if it, together with all other such events or conditions at the time existing, has not had, and in the reasonable determination of the Required Lenders will not have, a materially adverse effect on the Borrowers and their Subsidiaries, taken as whole; or

(l) the occurrence of a Change in Control;

then, and upon any such event, the Agent, with the consent of the Required Lenders, may (i) upon notice to the Borrowers declare the entire outstanding principal amount, if any, of the Revolving Notes, the Swing Line Note, any and all accrued and unpaid interest thereon, the aggregate amount outstanding under all Standby Letters of Credit, any and all accrued and unpaid Facility Fee, Administrative Fee, L/C Fees, the L/C Fronting Fee and any and all other amounts payable by the Borrowers to the Lenders or the Agent under this Agreement or the Revolving Notes or the Swing Line Note to be forthwith due and payable, whereupon the entire outstanding principal amount, if any, of the Revolving Notes and the Swing Line Note, together with any and all accrued and unpaid interest thereon, the aggregate amount outstanding under all Standby Letters of Credit, any and all accrued and unpaid Facility Fee, Administrative Fee, the fees in respect of Standby Letters of Credit, and any and all other such amounts and such reimbursement shall become and be forthwith due and payable, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by the Borrowers; provided, however, that in the event

of the entry of an order for relief with respect to the Borrowers or their Subsidiary under the Bankruptcy Code, any principal amount of the Revolving Notes and the Swing Line Note then outstanding, together with any and all accrued and unpaid interest thereon, the aggregate amount outstanding under all Standby Letters of Credit, any and all accrued and unpaid Facility Fee, Administrative Fee and any fee in respect of any Standby Letter of Credit, and

any and all such other amounts shall thereupon automatically become and be due and payable without presentment, demand, protest or notice of any kind, all of which are hereby expressly waived by the Borrowers; (ii) terminate or reduce the Revolving Loan Commitment; and (iii) exercise any rights and remedies available to it under any Loan Document or under applicable laws.

ARTICLE VIII

THE AGENT

Section 8.1 Appointment of Agent.

62

(a) Appointment Generally. Each of the Lenders hereby designates and

appoints Crestar Bank as the Agent of such Lender under this Agreement and the other Loan Documents, and each of the Lenders hereby irrevocably authorizes the Agent to take such action on its behalf under the provisions of this Agreement and the other Loan Documents and to exercise such powers as are set forth herein and therein, together with such other powers as are incidental thereto. The Agent agrees to act as such on the express conditions contained in this Article VIII.

(b) Agent Acts for Lenders. The provisions of this Article VIII are

solely for the benefit of the Agent and the Lenders and the Borrowers shall have no right (including as third party beneficiary) to rely on or enforce any of the provisions hereof. In performing its functions and other duties under this Agreement and the other Loan Documents, the Agent shall act solely as agent for the Lenders and does not assume and shall not be deemed to have assumed any obligation toward or relationship of agency or trust with or for the Borrowers or any of their Affiliates.

Section 8.2 Nature of Duties; Non-Reliance on Agent and other

Lenders.

(a) The Agent shall not have any duties or responsibilities except those expressly set forth in this Agreement or in the other Loan Documents. The duties of the Agent shall be mechanical and administrative in nature. The Agent shall not have by reason of this Agreement or any other Loan Document a fiduciary relationship in respect of any Lender and is not a trustee for the Lenders. Nothing in this Agreement or any of the other Loan Documents, expressed or implied, is intended to or shall be construed to impose upon the Agent any obligations in respect of this Agreement or any of the other Loan Documents except as expressly set forth herein and therein. If the Agent seeks the consent or approval of the Lenders to the taking or refraining from taking of any action hereunder, the Agent shall send notice thereof to each Lender. The Agent shall promptly notify each Lender at any time the Required Lenders or all of the Lenders, as the case may be, have instructed the Agent to act or refrain from acting pursuant hereto. The Agent may execute any of its duties hereunder or under any other Loan Document by or through agents or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Agent shall not be responsible for the negligence or misconduct of any agents or attorneys-in-fact selected by it with reasonable care.

(b) Each Lender expressly acknowledges that neither the Agent nor any of its officers, directors, employees, agents, attorneys-in-fact or Affiliates has made any representations or warranties to it and that no act by the Agent or any Affiliate thereof hereinafter taken, including any review of the affairs of the Borrowers or any

63

Subsidiary thereof, shall be deemed to constitute any representation or warranty by the Agent to any Lender. Each Lender represents to the Agent that it has, independently and without reliance upon the Agent or any other Lender, and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, assets, operations, property, financial and other conditions, prospects and creditworthiness of the Borrowers and their Subsidiaries and made its own decision to make its Loans and issue or participate in the issuance of Standby Letters of Credit hereunder and enter into this Agreement and the other Loan Documents to which it is a party. Each Lender covenants that it will, independently and without reliance upon the Agent or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement or any other Loan Document to which it is a party, and to make such investigations as it deems necessary to inform itself as to the business, assets, operations, property, financial and other conditions, prospects and creditworthiness of the Borrowers and their Subsidiaries. Except for notices, reports and other documents expressly required to be furnished to the Lenders by the Agent hereunder, the Agent shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the business, operations, assets, property, financial and other conditions, prospects or creditworthiness of the Borrowers and their Subsidiaries which may come into the possession of the Agent or any of its officers, directors, employees, agents, attorneys-in-fact or Affiliates.

Section 8.3 Rights, Exculpation, Etc. Neither the Agent nor any

of its Affiliates nor any of their respective officers, directors, employees, agents, attorneys or consultants shall be liable to any Lender for any action taken or omitted by it or such Person hereunder or under any of the other Loan Documents, or in connection herewith or therewith, except that (a) the Agent shall be obligated on the terms set forth herein for performance of its express obligations hereunder, and (b) neither the Agent nor any such other Person shall have any liability hereunder or under any other Loan Document except to the extent arising out of its own gross negligence or willful misconduct (as determined by the final judgment of a court of competent jurisdiction). The Agent shall not be liable for any apportionment or distribution of payments made by it in good faith pursuant to the terms of this Agreement and if any such apportionment or distribution is subsequently determined to have been made in error the sole recourse of any Lender to whom payment was due, but not made, shall be to recover from other Lenders any payment in excess of the amount to which they are determined to have been entitled. The Agent shall not be responsible to any Lender for any recitals, statements, representations or warranties made by the Borrowers or Subsidiary thereof in this Agreement or in any other Loan Document or in any other document, certificate report

64

or financial statement delivered by the Borrowers or any Subsidiary thereof in connection herewith or therewith or for the execution, effectiveness, genuineness, validity, enforceability, collectibility, or sufficiency of this Agreement or any of the other Loan Documents, or any of the transactions contemplated thereby, or for the financial condition of the Borrowers or any of their Subsidiaries. The Agent shall not be required to make any inquiry concerning conditions of this Agreement or any of the Loan Documents or the financial condition of the Borrowers or their Subsidiaries or the existence or possible existence of any Potential Event of Default or Event of Default. The Agent may at any time request instructions from the Lenders with respect to any actions or approvals which by the terms of this Agreement or of any of the other Loan Documents the Agent is permitted or required to take or to grant, and if such instructions are promptly requested, the Agent shall be absolutely entitled to refrain from taking any action or to withhold any approval and shall not incur any liability whatsoever to any Person for refraining from any action or withholding any approval under any of the Loan Documents until it shall have received such instructions from the Required Lenders or, to the extent specifically provided herein, all the Lenders or unless it shall first be

indemnified by the Lenders against any and all liability and expense which may be incurred by it by reason of refraining to take any action or withholding any approval. Without limiting the foregoing, no Lender shall have any right of action whatsoever against the Agent as a result of the Agent acting or refraining from acting under this Agreement or any of the other Loan Documents in accordance with the instructions of the Required Lenders or, to the extent specifically provided herein, all the Lenders, and such instructions shall be binding upon all Lenders (including their successors and assigns).

Section 8.4 Reliance; Notice of Default.

(a) The Agent shall be entitled to rely upon any written notice, statement, certificate, order, letter, cablegram, telegram, teletype, telex or teletype message, statement or other document or any telephone message believed by it in good faith to be genuine and correct and to have been signed or made by the proper Person, and with respect to all matters pertaining to this Agreement or any of the other Loan Documents and its duties hereunder or thereunder, upon advice of legal counsel (including counsel for the Borrowers), independent public accountants and other experts selected by it with reasonable care. The Agent may deem and treat each Lender as the owner of its interests hereunder for all purposes unless and until the Agent shall have received a duly executed instrument of assignment as contemplated by Section 9.8(c) hereof and the other conditions to assignment, to the extent applicable, shall have been satisfied.

65

(b) The Agent shall not be deemed to have knowledge or notice of the occurrence of any Event of Default or Potential Event of Default unless the Agent has received notice from a Lender or the Borrowers referring to this Agreement, describing such Event of Default or Potential Event of Default and stating that such notice is a "notice of Event of Default" or "notice of Potential Event of Default", as the case may be. The Agent shall take such action with respect to such Event of Default or Potential Event of Default as shall be reasonably directed by the Required Lenders.

Section 8.5 Indemnification. To the extent that the Agent is not

reimbursed and indemnified by the Borrowers or the Borrowers fail upon demand by the Agent to perform their obligations to reimburse or indemnify the Agent, the Lenders will severally reimburse and indemnify the Agent for and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by, or asserted against the Agent in any way relating to or arising out of this Agreement or any of the other Loan Documents or any action taken or omitted by the Agent under this Agreement or any of the other Loan Documents, in proportion to each Lender's Pro Rata Share; provided,

that no Lender shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the Agent's gross negligence or willful misconduct (as determined by the final judgment of a court of competent jurisdiction). The obligations of the Lenders under this Section 8.5 shall survive the payment in full of the Revolving Loans and the Swing Line Loans and the termination of this Agreement.

Section 8.6 The Agent Individually. With respect to its Pro Rata

Share hereunder and the Revolving Loans, Swing Line Loans, if any, and Standby Letters of Credit made by it, the Agent shall have and may exercise the same rights and powers hereunder and is subject to the same obligations and liabilities as and to the extent set forth herein for any other Lender. The term "Lenders" or "Required Lenders" or any similar terms shall, unless the context clearly otherwise indicates, include the Agent in its individual capacity as a Lender. The Agent and its Affiliates may accept deposits from, lend money to, and generally engage in any kind of banking, trust or other business with the Borrowers as if it were not acting as Agent pursuant hereto.

Section 8.7 Successor Agent; Resignation of Agent.

(a) The Agent may resign from the performance of its functions and duties hereunder at any time by giving at least twenty (20) days' prior written notice to the Lenders and the Borrowers. In the event that the Agent gives notice of its desire to resign from the performance of its functions and duties as Agent, any such resignation

66

shall take effect only upon (i) the repayment of any portion of the fees received by the Agent required by Section 3.7(c) and (ii) the acceptance by a successor Agent of appointment pursuant to clauses (b) and (c) below.

(b) The Required Lenders shall jointly appoint a successor Agent, which shall be a Lender hereunder. A successor Agent that is not one of the original Lenders under this Agreement shall be reasonably acceptable to the Borrowers, such acceptance not to be unreasonably withheld, delayed or conditioned. Unless the Borrowers object to the appointment of a successor Agent within five (5) Business Days after receipt of notice thereof, the Borrowers shall be conclusively presumed to have consented to the appointment of the successor Agent.

(c) If a successor Agent shall not have been so appointed within said twenty (20) day period, the retiring Agent shall then appoint a successor Agent who shall serve as Agent until such time, if any, as the Lenders appoint a successor Agent as provided above, it being understood and agreed that any successor Agent so appointed by the retiring Agent pursuant to this clause (c) need not be, notwithstanding the provisions of clause (b) above, a Lender hereunder so long as such successor Agent is a commercial bank organized under the laws of the United States of America or of any State thereof or of the District of Columbia and has a combined capital and surplus of at least \$1,000,000,000.00.

(d) Upon the appointment of a successor Agent, the term "Agent" shall, for all purposes of this Agreement and the other Loan Documents, thereafter include such successor Agent, the retiring Agent shall be discharged from its duties and obligations as Agent, as appropriate, under this Agreement and the other Loan Documents and the successor Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Agent, except that the retiring Agent shall reserve all rights as to obligations accrued or due to it, in its capacity as such, at the time of such succession and all rights (whenever arising) under Section 9.10 hereof.

Section 8.8 Certain Matters Requiring the Consent of all Lenders.

Subject to the provisions of Section 8.9(b) hereof, the consent of all the Lenders shall be required for taking any of the following required or permitted actions hereunder:

(a) any decrease or increase in any interest rate or margin applicable to any Loan or in any fee payable hereunder, or change in the method of computing the interest rate or margin applicable to any Loan or in any fee payable hereunder;

(b) any change in the Maturity Date;

67

(c) any increase in the Aggregate Commitment;

(d) any increase or decrease in the Commitment of any Lender;

(e) any change in the definition of Required Lenders;

- (f) any assignment or delegation of Borrowers' Obligations and rights hereunder;
- (g) any change in the definition of Pro Rata Share;
- (h) any amendment, modification or waiver of this Section 8.8; and
- (i) any postponement of the date of payment of any principal, interest or fees (other than the Administrative Fee, which may be postponed or waived at the sole discretion of the Agent) due hereunder.

For the avoidance of doubt, all other actions, consents, waivers and amendments permitted or required hereunder by the Lenders shall be by the Required Lenders (unless such action, consent, waiver or amendment shall relate only to an individual Lender, in which case such action may be taken by such Lender individually).

Section 8.9 Defaulting Lenders Vote Not Counted. Whenever the

"Required Lenders" or "all the Lenders" shall be required or permitted to take any action pursuant to the provisions of any Loan Document, for so long as a Lender shall be in default of its obligation to advance its Pro Rata Share of any Loan or advance any other funds to the Agent or any other Lender as required hereunder:

(a) until the earlier of the cure of such default and the termination of the Revolving Loan Commitment, the term Required Lenders for purposes of this Agreement shall mean Lenders (excluding all Lenders whose default shall have not been cured) whose Pro Rata Shares represent more than sixty-six and two-thirds percent (66⅔%) of the aggregate Pro Rata Shares of such Lenders; and

(b) until the earlier of the cure of such default and the termination of the Revolving Loan Commitment, the term "all the Lenders" for purposes of this Agreement shall mean Lenders (excluding all Lenders whose default shall have not been cured) whose Pro Rata Shares represent one hundred percent (100%) of the aggregate Pro Rata Shares of such Lenders.

ARTICLE IX

MISCELLANEOUS

Section 9.1 Amendments and Waivers; Cumulative Remedies. No delay

or failure of any Lender or the Agent or the holder of any the Revolving Notes or the Swing Line Note in exercising any right, power or privilege hereunder or under any other Loan Document shall affect such right, power or privilege; nor shall any single or partial exercise thereof or any abandonment or discontinuance of steps to enforce such a right, power or privilege preclude any further exercise thereof or of any other right, power or privilege. The rights and remedies of any Lender or the Agent or any other holder of the Revolving Notes or the Swing Line Note are cumulative and not exclusive of any rights or remedies which any of them would otherwise have. Neither this Agreement or any other Loan Document, nor any term, condition, representation, warranty, covenant or agreement hereof or thereof, may be changed, waived, discharged or terminated orally but only by an instrument in writing executed by the party against whom such change, waiver, discharge or termination is sought. Any waiver, permit, consent or approval of any kind or character (whether involving a breach, default, provision, condition or term hereof or otherwise) on the part of any Lender or the Agent or any other holder of any Note, or of the Borrowers under this Agreement, or under any other Loan Document shall be effective only in the specific instance and for the purpose for which given and only to the extent set forth specifically in writing. No notice or demand given hereunder shall entitle the recipient thereof to any other or further notice or demand in similar or other circumstances.

Section 9.2 Survival of Representations and Warranties. All

representations, warranties, covenants and agreements of the Borrowers contained herein or made in writing in connection herewith shall survive the execution and delivery of this Agreement, the making of Loans hereunder and the issuance of the Notes.

Section 9.3 Supervening Illegality . If, after the Effective Date,

as the result of (a) the adoption of any law, rule or regulation by any Governmental Authority, (b) any change in the existing laws, rules and regulations of any Governmental Authority, (c) the issuance of any order or decree by any Governmental Authority, (d) any change in the interpretation or administration of any applicable law, rule, regulation, order or decree by any Governmental Authority (including any central bank or similar agency) charged with the interpretations or administration thereof, or (e) compliance by any Lender with any request or directive (whether or not having the force of law) of any Bank Governmental Body, it shall be unlawful or impossible for any

69

Lender to maintain the Revolving Loans or the Swing Line Loans, such Lender shall so notify the Borrowers and the Agent and such Lender, by giving the Borrowers at least one hundred twenty (120) Business Days' prior written notice, may require the Borrowers to prepay the aggregate principal amount of, and all accrued and unpaid Facility Fee and all other fees and all accrued and unpaid interest on, the Revolving Loans and the Swing Line Loans, as the case may be (together with any other amounts that may become payable hereunder as a result thereof, including all amounts pursuant to Section 9.10 of this Agreement), on a Business Day (the "Prepayment Date") specified in such notice. If after the date of this Agreement and prior to the initial Funding Date it shall become unlawful for any Lender to make any Revolving Loans or Swing Line Loans hereunder or to maintain its Commitment, this Agreement shall terminate forthwith with respect to such Lender and neither such Lender nor the Borrowers shall have any further rights or obligations under this Agreement, provided, however, that the Borrowers, in the event of any termination pursuant to this second sentence of Section 9.3, shall pay to such Lender the amount of all accrued and unpaid fees, if any, together with all amounts then due pursuant to Section 9.10 hereof. If it shall become unlawful for any such Lender to make any Revolving Loans or Swing Line Loans as provided in this Section 9.3, the Revolving Loan Commitment shall automatically be deemed to be decreased in the amount of such Lender's Pro Rata Share, and the Commitment of each such other Lender shall be adjusted accordingly.

Section 9.4 No Reduction in Payments. All payments due to the

Lenders hereunder, and all other terms, conditions, covenants and agreements to be observed and performed by the Borrowers hereunder, shall be made, observed or performed by the Borrowers without any reduction or deduction whatsoever, including any reduction or deduction for any set-off, recoupment, counterclaim (whether sounding in tort, contract or otherwise) or tax.

Section 9.5 Stamp Taxes. The Borrowers agree to pay, and to save

each Lender harmless from all liability for, any State or Federal stamp, transfer, documentary or similar taxes, assessments or charges (herein "Stamp Taxes"), and any penalties or interest (excluding any penalties or interest resulting from the willful misconduct or gross negligence of any Lender or the Agent) with respect thereto, which may be assessed, levied, collected or imposed by or upon such Lender, or otherwise become payable by such Lender, in connection with the execution and delivery of this Agreement or the other Loan Documents.

Section 9.6 Notices. Any notice, statement, request or demand

required or permitted hereunder to be in writing may be given by telecopy,

receipt requested) or express courier, postage prepaid. All notices, statements, requests and demands given to or made upon any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given or made, in the case of telephonic notice (to the extent expressly permitted hereunder) when made, or in the case of any other type of notice, when actually received, if:

to the Borrowers, to it at:

Overnite Corporation
1000 Semmes Avenue
P.O. Box 1216
Richmond, VA 23218
Attention: Patrick D. Hanley
Telephone: (804) 231-8000
Telecopy: (804) _____

with a copy to:

Overnite Corporation
1000 Semmes Avenue
P.O. Box 1216
Richmond, VA 23218
Attention: General Counsel
Telephone: (804) _____
Telecopy: (804) _____

if to the Agent, to it at:

Crestar Bank
919 East Main Street
P.O. Box 26665
Richmond, VA 23219
Attention: Keith A. Hubbard
Telephone: (804) 782-5356
Telecopy: (804) 782-5413

and if to any Lender, to it at its address specified opposite its name on the signature pages hereto.

or such other address for notice as any party hereto may designate for itself in a notice to the other party, except in cases where it is expressly provided herein that such notice, statement, request or demand shall not be effective until received by the party to whom it is addressed.

Section 9.7 Governing Law. THIS AGREEMENT AND THE OTHER LOAN

DOCUMENTS SHALL BE DEEMED TO BE CONTRACTS UNDER THE LAWS OF THE COMMONWEALTH OF VIRGINIA AND, FOR ALL PURPOSES, SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE COMMONWEALTH OF VIRGINIA WITHOUT REGARD TO THE CONFLICTS OF LAWS PRINCIPLES.

Section 9.8 Successors and Assigns; Participations; Assignments.

(a) Successors and Assigns. This Agreement shall be binding upon and

inure to the benefit of and be enforceable by the respective permitted

successors and assigns of the parties hereto, provided that the Borrowers may

not assign or transfer any of its interest hereunder without the prior written
consent of the Lenders and the Agent.

(b) Participations. Any Lender may sell participation in all or any

part of the Revolving Loans made by it or its Commitment or any other interest
herein or in its Revolving Note or in any other document delivered or instrument
delivered in connection herewith to another bank or other entity. In the case
of such participation by a Lender, (i) the participant shall not have any rights
under this Agreement or the applicable Revolving Note or any other document or
instrument delivered in connection herewith (the participant's rights against
such Lender in respect of such participation to be those set forth in the
agreement executed by such Lender in favor of the participant relating thereto),
(ii) all amounts payable by the Borrowers shall be determined as if such
Lender had not sold such participation and (iii) the Borrowers shall continue to
deal directly with such Lender with respect to the transactions contemplated
hereby.

(c) Assignments. Each Lender may assign any of its rights or

interests under the Loan Documents to one or more financial institutions,
provided that:

(i) each such assignment shall be in an amount not less than
\$10,000,000.00 (or such lesser amount if, after giving effect to such
assignment

72

and all other assignments by such Lender occurring substantially
simultaneously therewith, such assigning Lender shall hold no Commitment or
any Revolving Loan);

(ii) each such assignment by a Lender of its Commitment or
Revolving Loans shall be made in such manner so that the same portion of
such Lender's Commitment, Revolving Loans, Revolving Note and obligations
in respect of any Standby Letter of Credit is assigned to the respective
assignee Lender;

(iii) the assigning Lender shall pay to the Agent a one-time fee
in the amount of \$3,000.00; and

(iv) the Parent Borrower and the Agent shall have consented to
such Assignment, which consent shall not be unreasonably withheld or
delayed; provided that no consent of the Parent Borrower shall be required

for assignments (x) to a Lender or an Affiliate of a Lender or (y) during
the continuance of an Event of Default.

Upon execution and delivery by the assignee to the Borrowers and the Agent of an
instrument in writing pursuant to which such assignee agrees to be a "Lender"
hereunder (if not already a Lender) having the Commitment and Revolving Loans
specified in such assignment, and upon the consent of the Parent Borrower or the
Agent to the extent required above, the assignee shall have, to the extent of
such assignment, the rights, benefits and obligations of a Lender hereunder
holding the Commitment, Revolving Loans (or portions thereof) and Standby
Letters of Credit or deemed participations therein, as applicable, assigned to
it pursuant to such assignment (in addition to the Commitment, Revolving Loans
(or portions thereof) and Standby Letters of Credit or deemed participations
therein, as applicable, theretofore held by such assignee), and the assigning
Lender shall, to the extent of such assignment, be relieved from its Commitment
(or portion thereof) and other obligations hereunder so assigned.

Section 9.9 Affirmative Rate of Interest Permitted by Law. Nothing

in this Agreement or in any Note shall require the Borrowers to pay interest to the Agent for the account of the Lenders at a rate exceeding the maximum rate permitted by applicable law to be charged or received by the Lenders, it being understood that this Section 9.9 is not intended to make the criminal laws of any jurisdiction applicable in circumstances in which they would not otherwise apply. If the rate of interest specified herein, in any Revolving Note or in the Swing Line Note would otherwise exceed the maximum rate so permitted to be charged or received with respect to any amounts

73

outstanding hereunder or under such Revolving Note or the Swing Line Note, the rate of interest required to be paid to the Agent for the account of the Lenders shall be automatically reduced to such maximum rate.

Section 9.10 Costs and Expenses; Indemnification.

(a) Without regard to whether the Effective Date shall have come into existence or whether any Revolving Loan or Swing Line Loan or Standby Letter of Credit shall have been made or issued hereunder, the Borrowers shall pay to each Lender and the Agent, as the case may be, and reimburse each Lender and the Agent for, as the case may be, and save each Lender and the Agent, as the case may be, harmless from and indemnify each Lender and the Agent, as the case may be, against losses from: (i) all out-of-pocket costs and expenses of the Agent and the Lenders (including such costs and expenses incurred by the Agent on behalf of the Lenders) in connection with the preparation, execution, delivery, waiver, modification and amendment of this Agreement and any other Loan Document (to the extent applicable) and any other document or instrument delivered in connection with the transactions contemplated hereby, including, without limitation, the reasonable fees and expenses of counsel for the Agent with respect thereto, and (ii) all reasonable out-of-pocket costs and expenses, if any (including, without limitation, reasonable counsel fees and expenses), of the Agent in such capacity (including such costs and expenses incurred by the Agent on behalf of the Lenders) in connection with the enforcement (whether through negotiations, legal proceedings or otherwise) of this Agreement and any other Loan Document and any other document or instrument delivered in connection with the transactions contemplated hereby, including, for the avoidance of doubt and without limitation, reasonable counsel fees and expenses in connection with the enforcement of rights under this Section 9.10(a); provided, that,

notwithstanding the foregoing, the Borrowers shall not be obligated to pay costs and expenses referred to in this Section 9.10(a) to the extent that such costs and expenses directly result from the gross negligence or willful misconduct of a Lender or the Agent.

(b) The Borrowers shall jointly and severally indemnify and hold harmless each Lender, the Agent and their respective affiliates, officers, directors, employees, agents and advisors (each, an "Indemnified Person") from and against, and pay and reimburse each Indemnified Person for, any and all claims, damages, losses, liabilities and expenses (including, without limitation, reasonable fees and disbursements of counsel) which may be incurred by or asserted or awarded against any Indemnified Person in each case arising out of or in connection with or by reason of, or in connection with the preparation for a defense of, any investigation, litigation or proceeding arising out of, related to or in connection with this Agreement, the

74

Revolving Notes, the Swing Line Note and any other document or instrument delivered in connection with the transactions contemplated hereby, whether or not an Indemnified Person is a party hereto or thereto and whether or not the Effective Date shall have come into existence or any Revolving Loan or Swing Line Loan or Standby Letter of Credit has been made or issued under this Agreement; provided, however, that the Borrowers shall have no obligation to

indemnify or hold harmless any Indemnified Person for liability or expenses to the extent arising out of such Indemnified Person's gross negligence or willful misconduct.

(c) All amounts payable by the Borrowers under this Section 9.10 shall be immediately due upon written request by a Lender or Agent, as the case may be, for the payment thereof. The obligations of the Borrowers under this Section 9.10 shall survive the payment of the Revolving Notes and the Swing Line Note.

Section 9.11 Set-Off; Suspension of Payment and Performance. Each

Lender and the Agent is hereby authorized by the Borrowers, at any time and from time to time, without notice (a) during any Event of Default, to set off against, and to appropriate and apply to the payment of, the liabilities of the Borrowers then due under this Agreement and any other Loan Document any and all liabilities owing by any Lender or the Agent or any of their Affiliates to the Borrowers (whether payable in Dollars or any other currency, whether matured or unmatured and, in the case of liabilities that are deposits (including, without limitation, any funds from time to time on deposit in the Borrowers' Account or other account maintained with any Lender or the Agent Lender, whether general or special, time or demand and however evidenced and whether maintained at a branch or office located within or without the United States), and (b) during any Event of Default, to suspend the payment and performance of such liabilities owing by such Person or its Affiliates and, in the case of liabilities that are deposits, to return as unpaid for insufficient funds any and all checks and other items drawn against such deposits.

Section 9.12 Sharing of Collections, Proceeds and Set-Offs;

Application of Payments.

(a) If any Lender, by exercising any right of set-off, counterclaim, foreclosure or otherwise, receives payment of principal or interest or other amount due on any Loan or Standby Letter of Credit which is greater than the Pro Rata Share of such Lender, the Lender receiving such proportionately greater payment shall purchase such participations in the Loans and Standby Letter of Credit reimbursement obligations held by the other Lenders, and such other adjustments shall be made as may be required, so that all such payments shall be shared by the Lenders on the basis of their

75

respective Pro Rata Shares; provided that if all or any portion of such

proportionately greater payment of such indebtedness is thereafter recovered from, or must otherwise be restored by, such purchasing Lender, the purchase shall be rescinded and the purchase price restored to the extent of such recovery, but without interest being paid by such purchasing Lender. Borrowers agree, to the fullest extent they may effectively do so under applicable law, that any holder of a participation in a Loan or reimbursement obligation, whether or not acquired pursuant to the foregoing arrangements, may exercise rights of set-off or counterclaim and other rights with respect to such participation as fully as if such holder of a participation were a direct creditor of Borrowers in the amount of such participation. If under any applicable bankruptcy, insolvency or other similar law, any Lender receives a secured claim in lieu of a set-off to which this Section would apply, such Lender shall, to the extent practicable, exercise its rights in respect of such secured claim in a manner consistent with the rights of the Lenders entitled under this Section to share in the benefits of any recovery on such secured claim.

(b) If an Event of Default or a Potential Event of Default shall have occurred and be continuing, the Agent and each Lender and Borrowers agree that all payments on account of the Loans and Standby Letters of Credit shall be

applied by the Agent and the Lenders as follows:

(i) First, to the Agent for any fees then due and payable to the Agent under this Agreement until such fees are paid in full;

(ii) Second, to the Agent for any fees, costs or expenses (including expenses described in Section 9.10) incurred by the Agent under any of the Loan Documents or this Agreement, then due and payable and not reimbursed by Borrowers or the Lenders until such fees, costs and expenses are paid in full;

(iii) Third, to the Lenders for their Pro Rata Shares of the Facility Fee then due and payable under this Agreement until such fee is paid in full;

(iv) Fourth, to the Lenders for their respective shares of all costs, expenses and fees then due and payable from Borrowers until such costs, expenses and fees are paid in full;

(v) Fifth, to the Lenders for their Pro Rata Shares of all interest then due and payable from Borrowers until such interest is paid in full; and

76

(vi) Sixth, to the Lenders for their Pro Rata Shares of the principal amount of the Loans and reimbursement obligations with respect to Standby Letters of Credit then due and payable from Borrowers until such principal is paid in full, which percentage shares shall be calculated by determining each Lender's Pro Rata Share.

Section 9.13 Lenders' Obligations Several; Independent Nature of

Lenders' Rights. The obligation of each Lender hereunder is several and not

joint, and no Lender shall be the agent of any other (except to the extent the Agent is authorized to act as such hereunder). No Lender shall be responsible for the obligation or commitment of any other Lender hereunder. In the event that any Lender at any time should fail to make a Loan as herein provided, the other Lenders, or any of them as may then be agreed upon, at their sole option, may make the Loan that was to have been made by the Lender so failing to make such Loan. Nothing contained in any Loan Document and no action taken by Agent or any Lender pursuant hereto or thereto shall be deemed to constitute Lenders to be a partnership, an association, a joint venture or any other kind of entity. The amounts payable at any time hereunder to each Lender shall be a separate and independent debt.

Section 9.14 Judicial Proceedings; Waiver of Jury Trial. Any

judicial proceeding brought against the Borrowers with respect to any Credit Agreement Related Claim may be brought in any court of competent jurisdiction in the Commonwealth of Virginia, and, by execution and delivery of this Agreement, the Borrowers (a) accepts, generally and unconditionally, the nonexclusive jurisdiction of such courts and any related appellate court and irrevocably agrees to be bound by any judgment rendered thereby in connection with any Credit Agreement Related Claim and (b) irrevocably waives any objection it may now or hereafter have as to the venue of any such proceeding brought in such a court or that such a court is an inconvenient forum. The Borrowers hereby waives personal service of process and consents that service of process upon it may be made by certified or registered mail, return receipt requested, at its address specified or determined in accordance with the provisions of Section 9.6 of this Agreement, and service so made shall be deemed completed on the earlier of (i) the receipt thereof and (ii) the fifth (5th) Business Day after such service is deposited in the mail. Nothing herein shall affect the right of any Lender, the Agent or any other Indemnified Person to serve process in any other manner permitted by law or shall limit the right of any Lender, the Agent or any other Indemnified Person to bring proceedings against the Borrowers in the

courts of any other jurisdiction. Any judicial proceeding by the Borrowers against any Lender or the Agent involving any Credit Agreement Related Claim shall be brought only in a court located in the Commonwealth of Virginia. THE BORROWERS AND THE LENDERS AND THE AGENT HEREBY WAIVE

77

TRIAL BY JURY IN ANY JUDICIAL PROCEEDING TO WHICH THEY ARE PARTIES INVOLVING ANY CREDIT AGREEMENT RELATED CLAIM.

Section 9.15 Integration. This Agreement and the other Loan

Documents constitute the entire agreement of the Agent, the Lenders and the Borrowers with respect to the subject matter hereof and thereof, and there are no promises, undertakings, representations or warranties by the Agent or any Lender relative to the subject matter hereof or thereof not expressly set forth or referred to herein or in the other Loan Documents.

Section 9.16 Further Acts and Assurances. The Borrowers shall

promptly and duly execute and deliver to a Lender or the Agent, as the case may be, and to such other persons as such Lender or the Agent shall designate, such further instruments and shall take such further action as may be required by law or as such Lender or the Agent may from time to time request in order more effectively to carry out and accomplish the intent and purpose of this Agreement and the other Loan Documents and to establish and protect the rights and remedies created or intended to be created in favor of the Lender hereunder or under any other Loan Document.

Section 9.17 No Fiduciary Relationship. The Borrowers acknowledges

that no provision of this Agreement or in any of the other Loan Documents, and no course of dealing between any Lender or the Agent and any Borrowers shall be deemed to create any fiduciary duty by the Agent or any Lender to the Borrowers.

Section 9.18 Severability. The provisions of this Agreement are

severable, and if any clause or provision of this Agreement shall be held invalid or unenforceable in whole or in part in any jurisdiction, then such clause or provision shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without in any manner affecting the validity or enforceability of such clause or provision in any other jurisdiction or the remaining provisions hereof in any jurisdiction.

Section 9.19 Counterparts. This Agreement may be executed in any

number of counterparts and by different parties hereto on separate counterparts, each complete set of which, when so executed and delivered by all parties, shall be an original, but all such counterparts shall together constitute but one and the same instrument.

Section 9.20 Headings, Bold Type and Table of Contents. The

section headings, subsection headings, and bold type used herein and the Table of Contents hereto have been inserted for convenience of reference only and do not constitute matters to be considered in interpreting this Agreement.

78

IN WITNESS WHEREOF, the parties hereto, by their officers thereunto duly authorized, have executed this Agreement as of the day and year first above written.

BORROWERS

OVERNITE CORPORATION

By: _____
Name: _____
Title: _____

OVERNITE TRANSPORTATION COMPANY

By: _____
Name: _____
Title: _____

AGENT

CRESTAR BANK

By: _____
Name: Keith A. Hubbard
Title: Senior Vice President

LENDERS

Address: CRESTAR BANK

919 East Main Street
P.O. Box 26665
Richmond, VA 23219
Attention: Keith A. Hubbard
Telephone: (804) 782-5356
Telecopier: (804) 782-5413

By: _____
Name: Keith A. Hubbard
Title: Senior Vice President

79

Exhibit A to
Revolving Credit Agreement

FORM OF
REVOLVING NOTE

REVOLVING NOTE

U.S.\$ _____

Dated: August __, 1998

FOR VALUE RECEIVED, the undersigned, Overnite Corporation, a Virginia corporation, and Overnite Transportation Company, a Virginia corporation (collectively, the "Borrowers"), hereby promise to pay on August __, 2003 (the "Maturity Date") to the order of [CRESTAR BANK] (the "Lender") the principal amount of the lesser of (x) _____ MILLION UNITED STATES DOLLARS

(\$ _____) and (y) the aggregate amount of Revolving Loans made by the

Lender to the Borrowers pursuant to the Agreement (as hereinafter defined) and remaining outstanding on such date. Capitalized terms used (but not defined) in this Revolving Note shall have the meanings given to them in the Agreement (as hereinafter defined).

The Borrowers promise to pay interest from the initial Funding Date of such Revolving Loans until the Maturity Date on the principal amount of this

Revolving Note from time to time outstanding at the rate, and in the manner, prescribed in the Agreement. Any principal amount of, or any interest accrued on, this Revolving Note which is not paid on the date due shall bear interest from such due date until paid in full at the Default Rate. In no event shall the rate of interest borne by this Revolving Note at any time exceed the maximum rate of interest permitted at that time under applicable law.

Payments of the principal amount of and interest on this Revolving Note shall be made in lawful money of the United States of America to the Lending Office of the Agent on behalf of the Lender as provided in the Agreement.

1

This Revolving Note is one of the Revolving Notes referred to in the Credit Agreement, dated as of August __, 1998 (the "Agreement"), among the Lender, the other financial institutions from time to time a party thereto, the Borrowers and the Agent. The Lender is entitled to the rights and benefits of the Agreement and the other Loan Documents. The Agreement, among other things, contains provisions for optional and mandatory prepayments on account of the principal of this Revolving Note by the Borrowers and for acceleration of the maturity of this Revolving Note upon the terms and conditions therein specified.

THIS REVOLVING NOTE IS BEING ISSUED IN THE COMMONWEALTH OF VIRGINIA AND FOR ALL PURPOSES SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE COMMONWEALTH OF VIRGINIA WITHOUT REGARD TO THE CONFLICTS OF LAWS PRINCIPLES.

OVERNITE CORPORATION

By: _____
Name: _____
Title: _____

OVERNITE TRANSPORTATION COMPANY

By: _____
Name: _____
Title: _____

2

Exhibit B to
Revolving Credit Agreement

FORM OF
SWING LINE NOTE

SWING LINE NOTE

U.S.\$10,000,000

Dated: August __, 1998

FOR VALUE RECEIVED, the undersigned, Overnite Corporation, a Virginia corporation, and Overnite Transportation Corporation, a Virginia corporation (collectively, the "Borrowers"), hereby promise to pay on August __, 2003 (the "Maturity Date") to the order of CRESTAR BANK (the "Lender") the principal amount of the lesser of (x) TEN MILLION UNITED STATES DOLLARS (\$10,000,000.00)

and (y) the aggregate amount of Swing Line Loans made by the Lender to the

Borrowers pursuant to the Agreement (as hereinafter defined) and remaining outstanding on such date. Capitalized terms used (but not defined) in this Swing Line Note shall have the meanings given to them in the Agreement (as hereinafter defined).

The Borrowers promise to pay interest from the initial Funding Date of such Swing Line Loans until the Maturity Date on the principal amount of this Swing Line Note from time to time outstanding at the rate, and in the manner, prescribed in the Agreement. Any principal amount of, or any interest accrued on, this Swing Line Note which is not paid on the date due shall bear interest from such due date until paid in full at the Default Rate. In no event shall the rate of interest borne by this Swing Line Note at any time exceed the maximum rate of interest permitted at that time under applicable law.

Payments of the principal amount of and interest on this Swing Line Note shall be made in lawful money of the United States of America to the Lending Office of the Agent on behalf of the Lender as provided in the Agreement.

This Swing Line Note is the Swing Line Note referred to in the Credit Agreement, dated as of August __, 1998 (the "Agreement"), among the Lender, the

1

other financial institutions from time to time a party thereto, the Borrowers and the Agent. The Lender is entitled to the rights and benefits of the Agreement and the other Loan Documents. The Agreement, among other things, contains provisions for optional and mandatory prepayments on account of the principal of this Swing Line Note by the Borrowers and for acceleration of the maturity of this Swing Line Note upon the terms and conditions therein specified.

THIS SWING LINE NOTE IS BEING ISSUED IN THE COMMONWEALTH OF VIRGINIA AND FOR ALL PURPOSES SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE COMMONWEALTH OF VIRGINIA WITHOUT REGARD TO THE CONFLICTS OF LAWS PRINCIPLES.

OVERNITE CORPORATION

By: _____
Name: _____
Title: _____

OVERNITE TRANSPORTATION COMPANY

By: _____
Name: _____
Title: _____

2

Exhibit C to
Revolving Credit Agreement

FORM OF
BORROWING REQUEST
REVOLVING LOANS

_____, 1998

Crestar Bank, as Agent
919 East Main Street
P.O. Box 26665

Attention: Keith A. Hubbard,
Senior Vice President

Ladies and Gentlemen:

Reference is made to the Credit Agreement dated as of August __, 1998 as hereafter amended from time to time (the "Credit Agreement") among the undersigned, the lenders from time to time parties thereto (the "Lenders") and Crestar Bank, as Agent for the Lenders and for itself, providing for certain Revolving Loans and Standby Letters of Credit subject to the terms and conditions specified therein. Capitalized terms used herein and not otherwise defined shall have the respective meanings assigned to such terms in the Credit Agreement.

In accordance with the Credit Agreement the undersigned hereby request that the Lenders [make, convert or renew] a Revolving Loan, in the aggregate amount of \$_____ [at least \$3,000,000, in multiples of \$500,000], to be [made, converted or renewed] on _____, 19__. The undersigned hereby request that such Revolving Loan be made as follows:

(a) Interest Rate Option

[Base Rate or Applicable LIBOR Rate]

1

(b) LIBOR Period of LIBOR Loan (if applicable)

[One, two, three or six months]

The undersigned hereby certify that (a) since the date of the most recent financial statements provided to the Lenders, there has been no material adverse change in the Borrowers' or their Consolidated Subsidiaries' (taken as a whole) financial condition or in the Borrowers' or their Consolidated Subsidiaries' (taken as a whole) assets, (b) the representations and warranties of the Borrowers contained in the Credit Agreement are true and correct as of the date hereof as though made on and as of the date hereof, (c) no event has occurred and is continuing, or shall result from the Revolving Loan requested hereby after giving effect to the application of the proceeds therefrom, which constitutes an Event of Default or would constitute a Potential Event of Default, and (d) the amount of the requested Revolving Loan, when added to the outstanding balances of the Revolving Loans and outstanding Standby Letters of Credit, will not exceed the Aggregate Commitment on the date of such Loan.

Very truly yours,

OVERNITE CORPORATION

By: _____
Name: _____
Title: _____

OVERNITE TRANSPORTATION COMPANY

By: _____
Name: _____
Title: _____

2

SCHEDULE I TO
THE REVOLVING CREDIT AGREEMENT

Name of Lender

Commitment (in Dollars)

Crestar Bank

\$ _____

-i-

Schedule 1.1

Existing Liens

<TABLE>
<CAPTION>

DEBTOR/ OBLIGOR	CREDITOR/ OBLIGEE	GENERAL DESCRIPTION OF PROPERTY	GENERAL NATURE OF LIEN	OUTSTANDING PRINCIPAL	ANNUAL PRINCIPAL	MATURITY
<S> (e.g., Overnight Transportation)	<C>	<C>	<C> (e.g., Capital Lease, mortgage, purchase money security interest)	<C>	<C>	<C>

</TABLE>

-i-

Schedule 5.11

Subsidiaries

-i-

Schedule 5.5

Litigation

-ii-

Schedule 5.6

Defaults

-iii-

Schedule 5.15

Intercompany Debts and Intercompany Agreements

-iv-

Schedule 5.19

-v-

SCHEDULES

Schedule I	-- Lender Commitments
Schedule 1.1	-- Existing Liens
Schedule 5.5	-- Litigation
Schedule 5.6	-- Defaults
Schedule 5.11	-- Subsidiaries
Schedule 5.15	-- Intercompany Debts and Intercompany Agreements
Schedule 5.19	-- Letters of Credit, Suretyship Agreements and Similar Arrangements

EXHIBITS

Exhibit A	Form of Revolving Note
Exhibit B	Form of Swing Line Note
Exhibit C	Form of Borrowing Notice

-vi-

OVERNITE CORPORATION
 STOCK COMPENSATION PLAN

Table of Contents

<TABLE>
 <CAPTION>

<S>	<C>
ARTICLE I DEFINITIONS.....	1
1.01. Accounting Firm.....	1
1.03. Affiliate.....	1
1.04. Agreement.....	1
1.05. Beneficial Owner.....	1
1.06. Board.....	1
1.07. Change in Control.....	1
1.08. Code.....	3
1.09. Committee.....	3
1.10. Common Stock.....	3
1.11. Company.....	4
1.12. Control Change Date.....	4
1.13. Corresponding SAR.....	4
1.15. Exchange Act.....	4
1.16. Fair Market Value.....	4
1.17. Initial Value.....	4
1.18. Option.....	4
1.19. Participant.....	5
1.20. Performance Shares.....	5
1.21. Person.....	5
1.22. Plan.....	5
1.23. Related Entity.....	5
1.24. Restoration Feature.....	5
1.26. SAR.....	6
1.27. Stock Award.....	6
ARTICLE II PURPOSES.....	6
ARTICLE III ADMINISTRATION.....	6
ARTICLE IV ELIGIBILITY.....	7
ARTICLE V STOCK SUBJECT TO PLAN.....	7
5.01. Shares Issued.....	8

5.02. Aggregate Limit.....	8
5.03. Reallocation of Shares.....	8

</TABLE>

<TABLE>

<S>

<C>

ARTICLE VI OPTIONS.....	8
6.01. Award.....	9
6.02. Option Price.....	9
6.03. Maximum Option Period.....	9
6.04. Nontransferability.....	9
6.05. Transferable Options.....	9
6.06. Employee Status.....	10
6.07. Exercise.....	10
6.08. Payment.....	10
6.09. Change in Control.....	11
6.10. Shareholder Rights.....	11
6.11. Disposition of Stock.....	11
ARTICLE VII SARS.....	11
7.01. Award.....	11
7.02. Maximum SAR Period.....	11
7.03. Nontransferability.....	12
7.04. Transferable SARs.....	12
7.05. Exercise.....	12
7.06. Change in Control.....	13
7.07. Employee Status.....	13
7.08. Settlement.....	13
7.09. Shareholder Rights.....	13
ARTICLE VIII STOCK AWARDS.....	13
8.01. Award.....	13
8.02. Vesting.....	13
8.03. Employee Status.....	14
8.04. Change in Control.....	14
8.05. Shareholder Rights.....	14
ARTICLE IX PERFORMANCE SHARE AWARDS.....	15
9.01. Award.....	15
9.02. Earning the Award.....	15
9.03. Payment.....	15
9.04. Shareholder Rights.....	15
9.05. Nontransferability.....	16
9.06. Transferable Performance Shares.....	16
9.07. Employee Status.....	16
9.08. Change in Control.....	16

</TABLE>

<TABLE>	
<S>	<C>
ARTICLE X ADJUSTMENT UPON CHANGE IN COMMON STOCK.....	16
ARTICLE XI COMPLIANCE WITH LAW AND APPROVAL OF REGULATORY BODIES.....	17
ARTICLE XII GENERAL PROVISIONS.....	18
12.01. Effect on Employment and Service.....	18
12.02. Unfunded Plan.....	18
12.03. Rules of Construction.....	18
12.04. Tax Withholding.....	19
12.05. Limitation on Benefits.....	19
ARTICLE XIII AMENDMENT.....	20
ARTICLE XIV DURATION OF PLAN.....	20
ARTICLE XV EFFECTIVE DATE OF PLAN.....	20
</TABLE>	

OVERNITE CORPORATION
STOCK COMPENSATION PLAN

ARTICLE I

DEFINITIONS

1.01. ACCOUNTING FIRM

Accounting Firm means the independent accounting firm engaged to audit the Company's financial statements.

1.02. ADMINISTRATOR

Administrator means the Committee and any delegate of the Committee that is appointed in accordance with Article III.

1.03. AFFILIATE

Affiliate has the meaning set forth in Rule 12b-2 of the General Rules and Regulations under the Exchange Act, as amended from time to time.

1.04. AGREEMENT

Agreement means a written agreement (including any amendment or supplement thereto) between the Company and a Participant specifying the terms and conditions of an award of Performance Shares or a Stock Award, Option or SAR granted to such Participant.

1.05. BENEFICIAL OWNER

Beneficial Owner has the meaning set forth in Rule 13d-3 under the Exchange Act, except that a Person shall not be deemed to be the Beneficial Owner of any securities the holding of which is properly disclosed on a Form 13-G.

1.06. BOARD

Board means the Board of Directors of the Company.

1.07. CHANGE IN CONTROL

Change in Control means the occurrence of any of the events set forth in any one of the following paragraphs:

1

(1) any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such Person any securities acquired directly from the Company or its affiliates) representing 30% or more of the combined voting power of the Company's then outstanding securities, excluding any Person who becomes such a Beneficial Owner in connection with a transaction described in clause (i) of paragraph (3) below; or

(2) the following individuals cease for any reason to constitute a majority of the number of directors then serving: individuals who, on the date the Plan is adopted by the Board, constitute the Board and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of the Company) whose appointment or election by the Board or nomination for election by the Company's stockholders was approved or recommended by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors on the date hereof or whose appointment, election or nomination for election was previously so approved or recommended, or

(3) there is consummated a merger or consolidation of the Company or any direct or indirect subsidiary of the Company with any other corporation, other than (i) a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to

represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof) at least 50% of the combined voting power of the securities of the Company or such surviving entity or any parent thereof outstanding immediately after such merger or consolidation, or (ii) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no Person

2

is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities Beneficially Owned by such Person any securities acquired directly from the Company or its Affiliates) representing 50% or more of the combined voting power of the Company's then outstanding securities; or

(4) the stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or there is consummated an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets, other than a sale or disposition by the Company of all or substantially all of the Company's assets to an entity at least 50% of the combined voting power of the voting securities of which is owned by stockholders of the Company in substantially the same proportions as their ownership of the Company immediately prior to such sale.

Notwithstanding the foregoing, a "Change in Control" shall not be deemed to have occurred by virtue of the consummation of any transaction or series of integrated transactions immediately following which the recordholders of the common stock of the Company immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in an entity which owns all or substantially all of the assets of the Company immediately following such transaction or series of transactions.

1.08. CODE

Code means the Internal Revenue Code of 1986, and any amendments thereto.

1.09. COMMITTEE

Committee means the Compensation Committee of the Board; provided, however, that the Board shall serve as the Committee prior to the appointment of the Compensation Committee.

1.10. COMMON STOCK

Common Stock means the common stock of the Company.

3

1.11. COMPANY

Company means Overnite Corporation.

1.12. CONTROL CHANGE DATE

Control Change Date means the date on which a Change in Control occurs. If a Change in Control occurs on account of a series of transactions, the Control Change Date is the date of the last of such transactions.

1.13. CORRESPONDING SAR

Corresponding SAR means an SAR that is granted in relation to a particular Option and that can be exercised only upon the surrender to the Company, unexercised, of that portion of the Option to which the SAR relates.

1.14. EXCHANGE ACT

Exchange Act means the Securities Exchange Act of 1934, as amended from time to time.

1.15. FAIR MARKET VALUE

Fair Market Value means, on any given date, the reported "closing" price of a share of Common Stock in the over-the-counter market on such date as reported by the National Association of Securities Dealers, Inc., or if the Common Stock was not so traded on such day, then on the next preceding day that the Common Stock was so traded.

1.16. INITIAL VALUE

Initial Value means, with respect to a Corresponding SAR, the option price per share of the related Option and, with respect to an SAR granted independently of an Option, the price per share of Common Stock as determined by the Administrator on the date of the grant; provided, however, that the price per share of Common Stock encompassed by the grant of an SAR shall not be less than the Fair Market Value on the date of grant.

1.17. OPTION

Option means a stock option that entitles the holder to purchase from the Company a stated number of shares of Common Stock at the price set forth in an Agreement.

1.18. PARTICIPANT

Participant means an employee of the Company or a Related Entity, including an employee who is a member of the Board, who satisfies the requirements of Article IV and is selected by the Administrator to receive an award of Performance Shares, a Stock Award, an Option, an SAR, or a combination thereof.

1.19. PERFORMANCE SHARES

Performance Shares means an award, in the amount determined by the Administrator and specified in an Agreement, stated with reference to a specified number of shares of Common Stock, that entitles the holder to receive a payment for each specified share equal to the Fair Market Value of Common Stock on the date of payment. In the discretion of the Administrator, a Performance Share award may include the right to receive an additional payment for the accumulated dividends that would have been paid on each specified share as if such dividends had been invested in Common Stock on the dividend payment date, from the date of grant to the date of payment.

1.20. PERSON

Person has the meaning set forth in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) of the Exchange Act except that such term does not include (i) the Company, its Affiliates or any Related Entity, (ii) a trustee or other fiduciary holding securities under an employee benefit plan maintained by the Company or any Related Entity, (iii) any underwriter temporarily holding securities pursuant to any offering of such securities or (iv) a corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock in the Company.

1.21. PLAN

Plan means the Overnite Corporation Stock Compensation Plan.

1.22. RELATED ENTITY

Related Entity means any entity that directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, the Company.

1.23. RESTORATION FEATURE

Restoration Feature means the right to receive a new option covering the number of shares of Common Stock surrendered to the Company pursuant to the exercise of an Option. The new Option shall have an exercise price equal to the Fair Market Value on the date such shares of Common Stock were surrendered,

shall be

exercisable six months after the date of grant and shall otherwise be subject to the same terms and conditions as the related Option.

1.24. SAR

SAR means a stock appreciation right that entitles the holder to receive, with respect to each share of Common Stock encompassed by the exercise of such SAR, the lesser of (a) the excess, if any, of the Fair Market Value at the time of exercise over the Initial Value, or (b) the Initial Value. References to "SARs" include both Corresponding SARs and SARs granted independently of Options, unless the context requires otherwise.

1.25. STOCK AWARD

Stock Award means Common Stock awarded to a Participant under Article VIII.

ARTICLE II

PURPOSES

The Plan is intended to assist the Company and Related Entities in recruiting and retaining individuals with ability and initiative by enabling such persons to participate in the future success of the Company and the Related Entities and to associate their interests with those of the Company and its shareholders. The Plan is intended to permit the grant of both Options qualifying under Section 422 of the Code ("incentive stock options") and Options not so qualifying, and the grant of SARs, Stock Awards and Performance Shares. No Option that is intended to be an incentive stock option shall be invalid for failure to qualify as an incentive stock option. The proceeds received by the Company from the sale of Common Stock pursuant to this Plan shall be used for general corporate purposes.

ARTICLE III

ADMINISTRATION

The Plan shall be administered by the Administrator. The Administrator shall have authority to grant Stock Awards, Performance Shares, Options and SARs upon such terms (not inconsistent with the provisions of this Plan), as the Administrator may consider appropriate. Such terms may include conditions (in addition to those contained in this Plan) on the exercisability of all or any

part of an Option or SAR or on the transferability or forfeitability of a Stock Award or an award of Performance Shares, including by way of example and not of limitation, conditions on which

6

Participants may defer receipt of benefits under the Plan, requirements that the Participant complete a specified period of employment with the Company or a Related Entity, requirements that the Company achieve a specified level of financial performance or that the Company achieve a specified level of financial return. Notwithstanding any such conditions, the Administrator may, in its discretion, accelerate the time at which any Option or SAR may be exercised, or the time at which a Stock Award may become transferable or nonforfeitable or both, or the time at which an award of Performance Shares may be settled or may waive any of the conditions referred to above. In addition, the Administrator shall have complete authority to interpret all provisions of this Plan; to prescribe the form of Agreements; to adopt, amend, and rescind rules and regulations pertaining to the administration of the Plan; and to make all other determinations necessary or advisable for the administration of this Plan. The express grant in the Plan of any specific power to the Administrator shall not be construed as limiting any power or authority of the Administrator. Any decision made, or action taken, by the Administrator in connection with the administration of this Plan shall be final and conclusive. Neither the Administrator nor any member of the Committee shall be liable for any act done in good faith with respect to this Plan or any Agreement, Option, SAR, Stock Award or award of Performance Shares. All expenses of administering this Plan shall be borne by the Company, a Related Entity or a combination thereof.

The Committee, in its discretion, may delegate to one or more officers of the Company all or part of the Committee's authority and duties with respect to grants and awards to individuals who are not subject to the reporting and other provisions of Section 16 of the Exchange Act. The Committee may revoke or amend the terms of a delegation at any time but such action shall not invalidate any prior actions of the Committee's delegate or delegates that were consistent with the terms of the Plan.

ARTICLE IV

ELIGIBILITY

Any employee of the Company or a Related Entity (including a corporation that becomes a Related Entity after the adoption of this Plan), is eligible to participate in this Plan if the Administrator, in its sole discretion, determines that such person has contributed or can be expected to contribute to the profits or growth of the Company or a Related Entity. Directors of the Company who are employees of the Company or a Related Entity may be selected to participate in this Plan.

7

ARTICLE V

STOCK SUBJECT TO PLAN

5.01. SHARES ISSUED

Upon the award of shares of Common Stock pursuant to a Stock Award or in settlement of an award of Performance Shares, the Company may issue shares of Common Stock from its authorized but unissued Common Stock. Upon the exercise of any Option or SAR the Company may deliver to the Participant (or the Participant's broker if the Participant so directs), shares of Common Stock from its authorized but unissued Common Stock.

5.02. AGGREGATE LIMIT

The maximum aggregate number of shares of Common Stock that may be issued under this Plan, pursuant to the exercise of SARs and Options and the grant of Stock Awards and the settlement of Performance Shares is 3,750,000 shares. The maximum aggregate number of shares that may be issued under this Plan as Stock Awards and in settlement of Performance Shares, is 1,250,000 shares. The maximum aggregate number of shares that may be issued under this Plan and the maximum number of shares that may be issued as Stock Awards and in settlement of Performance Shares shall be subject to adjustment as provided in Article X.

5.03. REALLOCATION OF SHARES

If an Option is terminated, in whole or in part, for any reason other than its exercise or the exercise of a Corresponding SAR, the number of shares of Common Stock allocated to the Option or portion thereof may be reallocated to other Options, SARs, Performance Shares and Stock Awards to be granted under this Plan. If an SAR is terminated, in whole or in part, for any reason other than its exercise or the exercise of a related Option, the number of shares of Common Stock allocated to the SAR or portion thereof may be reallocated to other Options, SARs, Performance Shares and Stock Awards to be granted under this Plan. If an award of Performance Shares is terminated, in whole or in part, the number of shares of Common Stock allocated to the Performance Shares or portion thereof may be reallocated to other options, SARs, Performance Shares and Stock Awards to be granted under this Plan. If a Stock Award is forfeited, in whole or in part, for any reason, the number of shares of Common Stock allocated to the Stock Award or portion thereof may be reallocated to other Options, SARs, Performance Shares and Stock Awards to be granted under this Plan.

ARTICLE VI

OPTIONS

6.01. AWARD

In accordance with the provisions of Article IV, the Administrator will designate each individual to whom an Option is to be granted and will specify the number of shares of Common Stock covered by each such award. An Option may be granted with or without a Restoration Feature.

6.02. OPTION PRICE

The price per share for Common Stock purchased on the exercise of an Option shall be determined by the Administrator on the date of grant, but shall not be less than the Fair Market Value on the date the Option is granted.

6.03. MAXIMUM OPTION PERIOD

The maximum period in which an Option may be exercised shall be ten years from the date such Option was granted. The terms of any Option may provide that it has a term that is less than such maximum period.

6.04. NONTRANSFERABILITY

Except as provided in Section 6.05, each Option granted under this Plan shall be nontransferable except by will or by the laws of descent and distribution. In the event of any transfer of an Option (by the Participant or his transferee), the Option and any Corresponding SAR that relates to such Option must be transferred to the same person or persons or entity or entities. Except as provided in Section 6.05, during the lifetime of the Participant to whom the Option is granted, the Option may be exercised only by the Participant. No right or interest of a Participant in any Option shall be liable for, or subject to, any lien, obligation, or liability of such Participant.

6.05. TRANSFERABLE OPTIONS

Section 6.04 to the contrary notwithstanding, if the Agreement provides, an Option that is not an incentive stock option may be transferred by a Participant to the Participant's children, grandchildren, spouse, one or more trusts for the benefit of such family members or a partnership in which such family members are the only partners, on such terms and conditions as may be permitted under Securities Exchange Commission Rule 16b-3 as in effect from time to time. The holder of an Option transferred pursuant to this section shall be bound by the same terms and conditions that governed the Option during the period that it was held by the Participant; provided, however, that such transferee may not transfer the Option

except by will or the laws of descent and distribution. In the event of any transfer of an Option (by the Participant or his transferee), the Option and any Corresponding SAR that relates to such Option must be transferred to the same person or persons or entity or entities.

6.06. EMPLOYEE STATUS

For purposes of determining the applicability of Section 422 of the Code (relating to incentive stock options), or in the event that the terms of any Option provide that it may be exercised only during employment or within a specified period of time after termination of employment, the Administrator may decide to what extent leaves of absence for governmental or military service, illness, temporary disability, or other reasons shall not be deemed interruptions of continuous employment.

6.07. EXERCISE

Subject to the provisions of this Plan and the applicable Agreement, an Option may be exercised in whole at any time or in part from time to time at such times and in compliance with such requirements as the Administrator shall determine; provided, however, that incentive stock options (granted under the Plan and all plans of the Company and its Related Entities) may not be first exercisable in a calendar year for stock having a Fair Market Value (determined as of the date an Option is granted) exceeding the limit prescribed by Code section 422(d). An Option granted under this Plan may be exercised with respect to any number of whole shares less than the full number for which the Option could be exercised. A partial exercise of an Option shall not affect the right to exercise the Option from time to time in accordance with this Plan and the applicable Agreement with respect to the remaining shares subject to the Option. The exercise of an Option shall result in the termination of any Corresponding SAR to the extent of the number of shares with respect to which the Option is exercised.

6.08. PAYMENT

Unless otherwise provided by the Agreement, payment of the Option price shall be made in cash or a cash equivalent acceptable to the Administrator. Subject to rules established by the Administrator, payment of all or part of the Option price may be made with shares of Common Stock which have been owned by the Participant for at least six months and which have not been used for another exercise during the prior six months. If Common Stock is used to pay all or part of the Option price, the sum of the cash and cash equivalent and the Fair Market Value (determined as of the day preceding the date of exercise) of such shares must not be less than the Option price of the shares for which the Option is being exercised.

6.09. CHANGE IN CONTROL

Section 6.07 to the contrary notwithstanding, each outstanding Option shall be fully exercisable (in whole or in part at the discretion of the holder) on and after a Control Change Date and during the period (i) beginning on the first day after the commencement of a tender offer or exchange offer for shares

of Common Stock (other than an offer made by the Company); provided that shares are acquired pursuant to such offer and (ii) ending on the thirtieth day following the expiration of such offer.

6.10. SHAREHOLDER RIGHTS

No Participant shall have any rights as a shareholder with respect to shares subject to his Option until the date of exercise of such Option.

6.11. DISPOSITION OF STOCK

A Participant shall notify the Company of any sale or other disposition of Common Stock acquired pursuant to an Option that was an incentive stock option if such sale or disposition occurs (i) within two years of the grant of an Option or (ii) within one year of the issuance of the Common Stock to the Participant. Such notice shall be in writing and directed to the Secretary of the Company.

ARTICLE VII

SARS

7.01. AWARD

In accordance with the provisions of Article IV, the Administrator will designate each individual to whom SARs are to be granted and will specify the number of shares covered by each such award. In addition, no Participant may be granted Corresponding SARs (under all incentive stock option plans of the Company and its Affiliates) that are related to incentive stock options which are first exercisable in any calendar year for stock having an aggregate Fair Market Value (determined as of the date the related Option is granted) that exceeds the limit prescribed by Code section 422(d).

7.02. MAXIMUM SAR PERIOD

The maximum period in which an SAR may be exercised shall be ten years from the date such SAR was granted. The terms of any SAR may provide that it has a term that is less than such maximum period.

11

7.03. NONTRANSFERABILITY

Except as provided in Section 7.04, each SAR granted under this Plan shall be nontransferable except by will or by the laws of descent and distribution. In the event of any such transfer, a Corresponding SAR and the related Option must be transferred to the same person or persons or entity or

entities. Except as provided in Section 7.04, during the lifetime of the Participant to whom the SAR is granted, the SAR may be exercised only by the Participant. No right or interest of a Participant in any SAR shall be liable for, or subject to, any lien, obligation, or liability of such Participant.

7.04. TRANSFERABLE SARs

Section 7.03 to the contrary notwithstanding, if the Agreement provides, an SAR, other than a Corresponding SAR that is related to an incentive stock option, may be transferred by a Participant to the Participant's children, grandchildren, spouse, one or more trusts for the benefit of such family members or a partnership in which such family members are the only partners, on such terms and conditions as may be permitted under Securities Exchange Commission Rule 16b-3 as in effect from time to time. The holder of an SAR transferred pursuant to this section shall be bound by the same terms and conditions that governed the SAR during the period that it was held by the Participant; provided, however, that such transferee may not transfer the SAR except by will or the laws of descent and distribution. In the event of any transfer of a Corresponding SAR (by the Participant or his transferee), the Corresponding SAR and the related Option must be transferred to the same person or person or entity or entities.

7.05. EXERCISE

Subject to the provisions of this Plan and the applicable Agreement, an SAR may be exercised in whole at any time or in part from time to time at such times and in compliance with such requirements as the Administrator shall determine; provided, however, that a Corresponding SAR that is related to an incentive stock option may be exercised only to the extent that the related Option is exercisable and only when the Fair Market Value exceeds the option price of the related Option. An SAR granted under this Plan may be exercised with respect to any number of whole shares less than the full number for which the SAR could be exercised. A partial exercise of an SAR shall not affect the right to exercise the SAR from time to time in accordance with this Plan and the applicable Agreement with respect to the remaining shares subject to the SAR. The exercise of a Corresponding SAR shall result in the termination of the related Option to the extent of the number of shares with respect to which the SAR is exercised.

7.06. CHANGE IN CONTROL

Section 7.05 to the contrary notwithstanding, each outstanding SAR shall be fully exercisable (in whole or in part at the discretion of the holder) on and after a Control Change Date and during the period (i) beginning on the first day after the commencement of a tender offer or exchange offer for shares of Common Stock (other than one made by the Company); provided that shares are acquired pursuant to such offer and (ii) ending on the thirtieth day following the expiration of such offer.

7.07. EMPLOYEE STATUS

If the terms of any SAR provide that it may be exercised only during employment or within a specified period of time after termination of employment, the Administrator may decide to what extent leaves of absence for governmental or military service, illness, temporary disability or other reasons shall not be deemed interruptions of continuous employment.

7.08. SETTLEMENT

At the Administrator's discretion, the amount payable as a result of the exercise of an SAR may be settled in cash, Common Stock, or a combination of cash and Common Stock. No fractional share will be deliverable upon the exercise of an SAR but a cash payment will be made in lieu thereof.

7.09. SHAREHOLDER RIGHTS

No Participant shall, as a result of receiving an SAR, have any rights as a shareholder of the Company until the date that the SAR is exercised and then only to the extent that the SAR is settled by the issuance of Common Stock.

ARTICLE VIII

STOCK AWARDS

8.01. AWARD

In accordance with the provisions of Article IV, the Administrator will designate each individual to whom a Stock Award is to be made and will specify the number of shares of Common Stock covered by each such award.

8.02. VESTING

The Administrator, on the date of the award, may prescribe that a Participant's rights in a Stock Award shall be forfeitable or otherwise restricted for a period of

time or subject to such conditions as may be set forth in the Agreement. By way of example and not of limitation, the restrictions may postpone transferability of the shares or may provide that the shares will be forfeited if the Participant separates from the service of the Company and its Related Entities before the expiration of a stated period or if the Company, a Related Entity, the Company and its Related Entities or the Participant fails to achieve stated performance objectives. The period that the shares are restricted shall be at

least three years; provided, however, that the period that the shares are restricted shall be at least one year if the transferability, vesting or both is subject to the satisfaction of performance objectives other than continued employment.

8.03. EMPLOYEE STATUS

In the event that the terms of any Stock Award provide that shares may become transferable and nonforfeitable thereunder only after completion of a specified period of employment, the Administrator may decide in each case to what extent leaves of absence for governmental or military service, illness, temporary disability, or other reasons shall not be deemed interruptions of continuous employment.

8.04. CHANGE IN CONTROL

Sections 8.02 and 8.03 to the contrary notwithstanding, on and after a Control Change Date or the first day following the commencement of a tender offer or exchange offer for shares of Common Stock (other than one made by the Company), provided that shares are acquired pursuant to such offer, each outstanding Stock Award shall be transferable and nonforfeitable as of the Control Change Date or the first day following such offer.

8.05. SHAREHOLDER RIGHTS

Prior to their forfeiture (in accordance with the applicable Agreement and while the shares of Common Stock granted pursuant to the Stock Award may be forfeited or are nontransferable), a Participant will have all rights of a shareholder with respect to a Stock Award, including the right to receive dividends and vote the shares; provided, however, that during such period (i) a Participant may not sell, transfer, pledge, exchange, hypothecate, or otherwise dispose of shares of Common Stock granted pursuant to a Stock Award, (ii) the Company shall retain custody of the certificates evidencing shares of Common Stock granted pursuant to a Stock Award, and (iii) the Participant will deliver to the Company a stock power, endorsed in blank, with respect to each Stock Award. The limitations set forth in the preceding sentence shall not apply after the shares of Common Stock granted under the Stock Award are transferable and are no longer forfeitable.

ARTICLE IX

PERFORMANCE SHARE AWARDS

9.01. AWARD

In accordance with the provisions of Article IV, the Administrator will designate each individual to whom an award of Performance Shares is to be made and will specify the number of shares of Common Stock covered by each such

award.

9.02. EARNING THE AWARD

The Administrator, on the date of the grant of an award, shall prescribe that the Performance Shares, or a portion thereof, will be earned, and the Participant will be entitled to receive payment pursuant to the award of Performance Shares, only upon the satisfaction of performance objectives or such other criteria as may be prescribed by the Administrator and set forth in the Agreement. By way of example and not of limitation, the performance objectives or other criteria may provide that the Performance Shares will be earned only if the Participant remains in the employ of the Company or a Related Entity for a stated period or that the Company, a Related Entity, the Company and its Related Entities or the Participant achieve stated objectives. The performance period shall be at least three years; provided, however, that the performance period shall be at least one year if the Agreement provides that the Performance Shares will be earned upon the satisfaction of stated performance objectives other than continued employment. No payments will be made with respect to Performance Shares unless, and then only to the extent that, the Administrator certifies that such objectives have been achieved.

9.03. PAYMENT

In the discretion of the Administrator, the amount payable when an award of Performance Shares is earned may be settled in cash, by the issuance of Common Stock or a combination of cash and Common Stock. A fractional share shall not be deliverable when an award of Performance Shares is earned, but a cash payment will be made in lieu thereof.

9.04. SHAREHOLDER RIGHTS

No Participant shall, as a result of receiving an award of Performance Shares, have any rights as a shareholder until and to the extent that the award of Performance Shares is earned and settled by the issuance of Common Stock. After an award of Performance Shares is earned, if settled completely or partially in Common Stock, a Participant will have all the rights of a shareholder with respect to such Common Stock.

15

9.05. NONTRANSFERABILITY

Except as provided in Section 9.06, Performance Shares granted under this Plan shall be nontransferable except by will or by the laws of descent and distribution. No right or interest of a Participant in any Performance Shares shall be liable for, or subject to, any lien, obligation, or liability of such Participant.

9.06. TRANSFERABLE PERFORMANCE SHARES

Section 9.05 to the contrary notwithstanding, if the Agreement provides, an award of Performance Shares may be transferred by a Participant to the Participant's children, grandchildren, spouse, one or more trusts for the benefit of such family members or a partnership in which such family members are the only partners, on such terms and conditions as may be permitted under Securities Exchange Commission Rule 16b-3 as in effect from time to time. The holder of Performance Shares transferred pursuant to this section shall be bound by the same terms and conditions that governed the Performance Shares during the period that they were held by the Participant; provided, however that such transferee may not transfer Performance Shares except by will or the laws of descent and distribution.

9.07. EMPLOYEE STATUS

In the event that the terms of any Performance Share award provide that no payment will be made unless the Participant completes a stated period of employment, the Administrator may decide to what extent leaves of absence for government or military service, illness, temporary disability, or other reasons shall not be deemed interruptions of continuous employment.

9.08. CHANGE IN CONTROL

Section 9.02 to the contrary notwithstanding, each outstanding Performance Share award shall be earned as of a Control Change Date or the first day following the commencement of a tender offer or exchange offer (other than one made by the Company), provided that shares are acquired pursuant to such offer. The amount payable for such Performance Shares shall be settled in cash or Common Stock or a combination of cash and Common Stock as determined by the Administrator in its discretion as soon as practicable after the Control Change Date or the first day following such tender offer or exchange offer.

ARTICLE X

ADJUSTMENT UPON CHANGE IN COMMON STOCK

The maximum number of shares as to which Options, SARs, Performance Shares and Stock Awards may be granted under this Plan and the terms of outstanding Stock Awards, Options, Performance Shares and SARs, shall be adjusted as the Committee shall determine to be equitably required in the event that (a) the Company (i) effects one or more stock dividends, stock split-ups, subdivisions or consolidations of shares or (ii) engages in a transaction to which Section 424 of the Code applies or (b) there occurs any other event which, in the judgment of the Committee necessitates such action. Any determination made under this Article X by the Committee shall be final and conclusive.

The issuance by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, for cash or property, or for labor or services, either upon direct sale or upon the exercise of rights or

warrants to subscribe therefor, or upon conversion of shares or obligations of the Company convertible into such shares or other securities, shall not affect, and no adjustment by reason thereof shall be made with respect to, the maximum number of shares as to which Options, SARs, Performance Shares and Stock Awards may be granted or the terms of outstanding Stock Awards, Options, Performance Shares or SARs.

The Committee may make Stock Awards and may grant Options, SARs and Performance Shares in substitution for performance shares, phantom shares, stock awards, stock options, stock appreciation rights, or similar awards held by an individual who becomes an employee of the Company or a Related Entity in connection with a transaction or event described in the first paragraph of this Article X. Notwithstanding any provision of the Plan (other than the limitation of Section 5.02), the terms of such substituted Stock Awards or Option, SAR or Performance Shares grants shall be as the Committee, in its discretion, determines is appropriate.

ARTICLE XI

COMPLIANCE WITH LAW AND APPROVAL OF REGULATORY BODIES

No Option or SAR shall be exercisable, no Common Stock shall be issued, no certificates for shares of Common Stock shall be delivered, and no payment shall be made under this Plan except in compliance with all applicable federal and state laws and regulations (including, without limitation, withholding tax requirements), any listing agreement to which the Company is a party, and the rules of all domestic stock exchanges on which the Company's shares may be listed. The Company shall

17

have the right to rely on an opinion of its counsel as to such compliance. Any share certificate issued to evidence Common Stock when a Stock Award is granted, a Performance Share is settled or for which an Option or SAR is exercised may bear such legends and statements as the Administrator may deem advisable to assure compliance with federal and state laws and regulations. No Option or SAR shall be exercisable, no Stock Award or Performance Share shall be granted, no Common Stock shall be issued, no certificate for shares shall be delivered, and no payment shall be made under this Plan until the Company has obtained such consent or approval as the Administrator may deem advisable from regulatory bodies having jurisdiction over such matters.

ARTICLE XII

GENERAL PROVISIONS

12.01. EFFECT ON EMPLOYMENT AND SERVICE

Neither the adoption of this Plan, its operation, nor any documents describing or referring to this Plan (or any part thereof), shall confer upon any individual any right to continue in the employ or service of the Company or a Related Entity or in any way affect any right or power of the Company or a Related Entity to terminate the employment or service of any individual at any time with or without assigning a reason therefor.

12.02. UNFUNDED PLAN

The Plan, insofar as it provides for grants, shall be unfunded, and the Company shall not be required to segregate any assets that may at any time be represented by grants under this Plan. Any liability of the Company to any person with respect to any grant under this Plan shall be based solely upon any contractual obligations that may be created pursuant to this Plan. No such obligation of the Company shall be deemed to be secured by any pledge of, or other encumbrance on, any property of the Company.

12.03. RULES OF CONSTRUCTION

Headings are given to the articles and sections of this Plan solely as a convenience to facilitate reference. The reference to any statute, regulation, or other provision of law shall be construed to refer to any amendment to or successor of such provision of law.

12.04. TAX WITHHOLDING

Each Participant shall be responsible for satisfying any income and employment tax withholding obligation attributable to participation in this Plan. In accordance with procedures established by the Administrator, a Participant may surrender shares of Common Stock, or receive fewer shares of Common Stock than otherwise would be issuable, in satisfaction of all or part of that obligation.

12.05. LIMITATION ON BENEFITS

(a) Despite any other provision of this Plan, if the Accounting Firm determines that receipt of benefits or payments under this Plan would subject a Participant to tax under Code section 4999, it must determine whether some amount of the benefits or payments would meet the definition of a "Reduced Amount." If the Accounting Firm determines that there is a Reduced Amount, the total benefits and payments must be reduced to such Reduced Amount, but not below zero.

(b) If the Accounting Firm determines that the benefits and payments should be reduced to the Reduced Amount, the Company must promptly notify the Participant of that determination, including a copy of the detailed calculations by the Accounting Firm. All determinations made by the Accounting

Firm under this section are binding upon the Company and the Participant.

(c) It is the intention of the Company and the Participant to reduce the benefits and payments under this Plan only if the aggregate Net After Tax Receipts to the Participant would thereby be increased. As a result of the uncertainty in the application of Code section 4999 at the time of the initial determination by the Accounting Firm under this section, however, it is possible that amounts will have been paid or distributed under the Plan to or for the benefit of a Participant which should not have been so paid or distributed ("Overpayment") or that additional amounts which will not have been paid or distributed under the Plan to or for the benefit of a Participant could have been so paid or distributed ("Underpayment"), in each case, consistent with the calculation of the Reduced Amount. If the Accounting Firm, based either upon the assertion of a deficiency by the Internal Revenue Service against the Company or the Participant which the Accounting Firm believes has a high probability of success or controlling precedent or other substantial authority, determines that an Overpayment has been made, any such Overpayment must be treated for all purposes as a loan ab initio for which the Participant must repay the Company together with interest at the applicable federal rate under Code section 7872(f) (2); provided, however, that no such loan may be deemed to have been made and no amount shall be payable by Participant to the Company if and to the extent such deemed loan and payment would not either reduce the amount on which Participant is subject to tax under Code section 1 or 4999 or generate a refund of such taxes. If the Accounting Firm, based upon controlling precedent or other substantial authority, determines that an Underpayment has occurred, the Accounting Firm must promptly notify the Administrator of the amount

19

of the Underpayment and such amount, together with interest at the applicable federal rate under Code section 7872(f) (2), must be paid to the Participant.

(d) For purposes of this section, (i) "Net After Tax Receipt" means the Present Value of a payment or benefit under this Plan net of all taxes imposed on Participant with respect thereto under Code sections 1 and 4999, determined by applying the highest marginal rate under Code section 1 which applied to the Participant's taxable income for the immediately preceding taxable year; (ii) "Present Value" means the value determined in accordance with Code section 280G(d) (4); and (iii) "Reduced Amount" means the smallest aggregate amount of all payments or benefit under this Plan which (a) is less than the sum of all payments or benefit under this Plan and (b) results in aggregate Net After Tax Receipts which are equal to or greater than the Net After Tax Receipts which would result if the aggregate payments or benefit under this Plan were any other amount less than the sum of all payments or benefit under this Plan.

ARTICLE XIII

AMENDMENT

The Board may amend or terminate this Plan from time to time; provided, however, that no amendment may become effective until shareholder approval is obtained if (i) the amendment increases the aggregate number of shares of Common Stock that may be issued under the Plan (other than an adjustment pursuant to

Article XI) or (ii) the amendment changes the class of individuals eligible to become Participants. No amendment shall, without a Participant's consent, adversely affect any rights of such Participant under any Stock Award, Performance Share award, Option or SAR outstanding at the time such amendment is made.

ARTICLE XIV

DURATION OF PLAN

No Stock Award, Performance Share award, Option or SAR may be granted under this Plan more than ten years after the earlier of the date the Plan is adopted by the Board or the date that the Plan is approved in accordance with Article XV. Stock Awards, Performance Share awards, Options and SARs granted before that date shall remain valid in accordance with their terms.

20

ARTICLE XV

EFFECTIVE DATE OF PLAN

Options, SARs and Performance Shares may be granted under this Plan upon its adoption by the Board, provided that no Option, SAR or Performance Shares shall be effective or exercisable unless this Plan is approved by a majority of the votes cast by the Company's shareholders, voting either in person or by proxy, at a duly held shareholders' meeting at which a quorum is present or by unanimous consent. Stock Awards may be granted under this Plan, upon the later of its adoption by the Board or its approval by shareholders in accordance with the preceding sentence.

21

STOCK PURCHASE AND INDEMNIFICATION AGREEMENT

THIS STOCK PURCHASE AND INDEMNIFICATION AGREEMENT (the "Agreement") is made and entered into this _____ day of August, 1998 by and among UNION PACIFIC CORPORATION, a Utah corporation ("UPC"), OVERNITE CORPORATION, a Virginia corporation ("Overnite"), OVERNITE HOLDING, INC., a Delaware corporation ("OHI"), and OVERNITE TRANSPORTATION COMPANY, a Virginia corporation ("OTC").

WHEREAS, Overnite intends to issue and sell the shares of its common stock, par value \$0.01 per share (the "Overnite Shares"), through an initial public offering (the closing of which is hereinafter referred to as the "Offering"); and

WHEREAS, in connection with the Offering, Overnite has filed a registration statement with the Securities and Exchange Commission under the Securities Act of 1933, as amended (the "1933 Act"); and

WHEREAS, immediately following the Offering, Overnite intends to purchase all of the issued and outstanding common stock of OHI, par value \$0.01 per share (the "OHI Shares"), from UPC (the "Acquisition"), with the result that Overnite will become a publicly-owned company and OHI will become a wholly-owned, direct subsidiary of Overnite; and

WHEREAS, OTC is a wholly-owned, direct subsidiary of OHI and immediately following the Acquisition will become a wholly-owned, indirect subsidiary of Overnite; and

WHEREAS, the parties hereto desire to enter into this Agreement in order to provide for the Acquisition and the indemnification against certain costs and liabilities which may be incurred in connection with the Offering, the Acquisition and the above-mentioned registration statement, including any prospectus included therein, and their respective businesses both prior to and after the Offering and Acquisition.

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained, the parties hereto agree as follows:

-1-

1. Definitions. As used in this Agreement, the following terms shall

have the following meanings (such meanings to be equally applicable to both the singular and plural versions of the terms below):

The term "Affiliate" shall have the meaning accorded to such term in Rule 12b-2 of the General Rules and Regulations under the Securities Exchange Act of 1934, as in effect on the date hereof.

The term "Bank Credit Agreement" shall mean the \$200 million Revolving Credit Agreement, dated as of August ____, 1998, among Overnite, the Banks named therein and Crestar Bank, as Agent for the Banks;

The term "Business Day" shall mean a day of the year on which banks are not required or authorized to close in New York City, Nebraska or Virginia.

The term "Closing" shall mean the closing of the Offering and the Acquisition.

The term "Code" shall mean the Internal Revenue Code of 1986, as amended.

The term "Guarantee" shall mean all guarantees, surety and performance bonds, payment or reimbursement obligations relating to insurance arrangements, letters of credit and other arrangements pursuant to which UPC guarantees or secures any Overnite Liability or which otherwise potentially impose liability on UPC with respect to the businesses, operations or assets conducted or owned or formerly conducted or owned by the Overnite Group, and which are in effect as of the Closing.

The term "Liabilities" shall mean all debts, liabilities and obligations, actual or contingent, liquidated or unliquidated, accrued or unaccrued, known or unknown, whenever and however arising, including all costs and expenses (including fees and disbursements of counsel) relating thereto, and including without limitation debts, liabilities and obligations arising in connection with any actual or threatened claim, action, suit, arbitration, inquiry, proceeding or investigation by or before any court, governmental or other regulatory or administrative agency or commission or any arbitration panel.

The term "Overnite Group" shall mean Overnite and all Affiliates of Overnite following the Closing, including without limitation OHI and OTC, and all subsidiaries of OTC on or prior to the Closing, and any or each of such entities individually and collectively, and jointly and severally.

The term "Overnite Liabilities" shall mean all Liabilities (other than Liabilities for Taxes

-2-

except as provided below in this definition) at any time arising out of or relating to the businesses, operations or assets conducted or owned or formerly conducted or owned at any time by, and the current or former employees of, the Overnite Group. In the case of an "employee benefit plan," as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), maintained or formerly maintained by the Overnite Group for its employees or former employees, "Overnite Liabilities" shall include all liabilities for any benefits due and payable under the terms of such plans as

well as any Taxes, penalties, interest or other charges imposed by any governmental agency with respect to the maintenance and administration of such plans. Further, in case of any employee benefit plan maintained or formerly maintained by the UPC Group in which employees or former employees of the Overnite Group have participated, "Overnite Liabilities" shall be limited to the portion of the liability, Tax, penalty, interest or other charge attributable to employees or former employees of the Overnite Group, or in the event that a liability, Tax, penalty, interest or other charge is not attributable to specific employees or former employees, "Overnite Liabilities" shall be limited to the portion of the liability, Tax, penalty, interest or other charge that bears the same relationship to the whole thereof as the benefit liabilities under such plan attributable to employees or former employees of the "Overnite Group" bears to all such benefit liabilities under the plan, and any costs (including reasonable counsel fees) imposed upon or incurred by the "Overnite Group" in connection with such liability shall be allocated in the same manner. "Overnite Liabilities" shall also include any Liabilities arising from or relating to (i) the conversion of any share of UPC retention stock or any option to purchase shares of UPC common stock into one or more shares of Overnite retention stock or options to purchase shares of Overnite common stock and (ii) amounts payable to employees of the Overnite Group as deferred compensation under the UPC Executive Incentive Plan.

The term "Overnite Securities Liabilities" shall mean any Liability under the 1933 Act, the Securities Exchange Act of 1934, as amended (the "1934 Act"), or any other federal or state securities law or regulation, at common law or otherwise, arising out of the Offering, including without limitation any such Liability arising out of or based upon (i) any untrue statement or alleged untrue statement of a material fact contained in a registration statement filed under federal or state securities

-3-

laws in connection with the Offering, or in any amendment or supplement thereto (a "Registration Statement"), or in any prospectus or other communication relating to the Offering or in any amendment or supplement thereto (a "Prospectus"), or (ii) the omission or alleged omission to state in a Registration Statement or Prospectus a material fact required to be stated therein or necessary to make the statements made therein not misleading; provided, however, that the foregoing definition shall not extend or apply to any Liability that arises out of or is based upon any untrue statement or alleged untrue statement of a material fact contained in, or an omission or alleged omission to state a material fact required to be stated (or necessary to make the statement not misleading) in (A) the information set forth under the captions "Prospectus Summary - Background to the Offering" and "The Acquisition" in the Prospectus to the extent related to the actions or intentions of UPC, or (B) information otherwise set forth in the Prospectus to the extent related to UPC's ownership of the capital stock of OHI (the "UPC Information").

The term "Taxes" shall mean any and all taxes (including interest, penalties and additions to tax), premiums, fees and charges (including sales,

use, excise, value added, personal property and other taxes) imposed by any federal, state or local or government tax authority in the United States of America or by any foreign government or taxing authority.

The term "Transaction Costs" shall mean the following fees and expenses incurred in connection with the Offering and Acquisition: (i) the fees and expenses of Hunton & Williams and Richards, Layton & Finger, (ii) the fees and expenses of Deloitte & Touche LLP, including without limitation fees and expenses incurred in connection with the audit of financial statements for the Overnite Group, (iii) the fees and expenses of Price Waterhouse LLP incurred in connection with the valuation of Overnite Group assets, (iv) the fees and expenses of Towers Perrin and Buck Consultants incurred for actuarial services performed in connection with the Offering and Acquisition, (v) any underwriters' discounts or commissions, (vi) all organization expenses of Overnite, including without limitation all fees, expenses, Taxes, assessments and other costs and

-4-

expenses associated with its incorporation in the State of Virginia and its qualification to do business in any jurisdiction, (vii) all Securities and Exchange Commission, National Association of Securities Dealers, Inc., and other filing fees, all "blue sky" fees and expenses and all stock exchange fees and expenses, (viii) all transfer taxes, if any, in connection with the issuance and sale of Overnite Shares in the Offering and the sale of OHI Shares to Overnite in the Acquisition, (ix) all printing fees and expenses and (x) all transfer agent and registration fees and expenses.

The term "UPC Group" shall mean UPC and all Affiliates of Union Pacific Corporation (other than any member of the Overnite Group), and any or each of such entities individually and collectively and jointly and severally.

The term "UPC Liabilities" shall mean all Liabilities (other than Liabilities for Taxes except as provided below in this definition) at any time arising out of or relating to the businesses, operations or assets conducted or owned or formerly conducted or owned by, and the current or former employees of, the UPC Group; provided that in no event shall UPC Liabilities include any Overnite Liabilities, any Overnite Securities Liabilities, any liabilities on any Guarantee, or the Transaction Costs covered by the indemnification set forth in Section 4 of this Agreement. In the case of an "employee benefit plan," as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), maintained or formerly maintained by the UPC Group for its employees or former employees in which no employee or former employee of the Overnite Group has participated, "UPC Liabilities" shall include all liabilities for any benefits due and payable under the terms of such plans as well as any Taxes, penalties, interest or other charges imposed by any governmental agency with respect to the maintenance and administration of such plans. Further, in case of any employee benefit plan maintained or formerly maintained by the UPC Group in which employees or former employees of the Overnite Group have participated, "UPC Liabilities" shall be limited to the portion of the liability, Tax, penalty, interest or other charge attributable to employees or

former employees of the UPC Group, or in the event that a liability, Tax, penalty,

-5-

interest or other charge is not attributable to specific employees or former employees, "UPC Liabilities" shall be limited to the portion of the liability, Tax, penalty, interest or other charge that bears the same relationship to the whole thereof as the benefit liabilities under such plan attributable to employees or former employees of the UPC Group bears to all such benefit liabilities under the plan, and any costs (including reasonable counsel fees) imposed upon or incurred by the UPC Group in connection with such liability shall be allocated in the same manner.

The term "UPC Securities Liabilities" shall mean any Liability under the 1933 Act, the 1934 Act or any other federal or state law or regulation, at common law or otherwise, arising out of the Offering, and arising out of or based upon (i) any untrue statement or alleged untrue statement of a material fact contained in a Registration Statement or Prospectus or (ii) the omission or alleged omission to state in a Registration Statement or Prospectus a material fact required to be stated therein or necessary to make the statements made therein not misleading, but only to the extent that such Liability arises out of or is based upon any such untrue statement or alleged untrue statement or omission or alleged omission concerning UPC Information.

2. Purchase and Sale of OHI Shares. (a) UPC agrees that, immediately

following the Offering, it will sell, transfer and deliver to Overnite, and Overnite agrees that it will purchase from UPC, free and clear of all liens, claims, encumbrances, security interests, options, charges and restrictions of any kind, all of the outstanding OHI Shares for an aggregate cash purchase price ("Purchase Price") of \$_____ million./1/

(b) The Closing shall be held at the offices of Cravath, Swaine & Moore, Worldwide Plaza, 825 Eighth Avenue, New York, NY, or such other place as the parties may agree. The Acquisition shall not occur unless the Offering first occurs. At the Closing, (i) Overnite shall pay

/1/ THIS AMOUNT WILL BE THE GROSS PROCEEDS OF THE OFFERING, LESS UNDERWRITING DISCOUNTS, PLUS \$105 MILLION.

-6-

the Purchase Price to UPC by wire transfer of immediately available funds to an account designated by UPC, (ii) UPC shall deliver to Overnite certificates representing the OHI Shares, duly endorsed in blank or accompanied by one or more stock powers duly endorsed in blank and in proper form for transfer, (iii) Overnite shall deliver to UPC for filing the fully-executed Section 338 Election

Forms (as defined in Section 12(b) hereof), and (iv) Overnite and UPC shall each take such further actions and deliver such other documents as may be reasonably requested by the other party to complete the Acquisition.

(c) Immediately prior to the Closing, the net intercompany balance reflecting advances between UPC on the one hand, and OTC or OHI on the other, shall be forgiven and cancelled. To the extent that such net intercompany balance is less than \$148.068 million, Overnite shall make an additional cash payment to UPC in the amount of such difference. To the extent that such net intercompany balance is greater than \$148.068 million, UPC shall make a cash payment to Overnite in the amount of such difference. Overnite hereby expressly consents to the forgiveness and cancellation of such net intercompany balance. The amount, if any, required under this Section 2(c) shall be payable within 5 Business Days of the date of the Closing.

3. UPC Representations and Warranties. UPC hereby represents and

warrants, as of the Closing, to Overnite, OHI and OTC as follows:

(a) UPC is duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation, and has full corporate power and authority to execute and deliver this Agreement and to perform its obligations hereunder. The execution and delivery of this Agreement by UPC and the performance of its obligations hereunder have been duly and validly authorized by all necessary corporate action on the part of UPC, and this Agreement has been duly and validly executed and delivered by UPC.

(b) This Agreement constitutes the legal, valid and binding obligation of UPC,

-7-

enforceable against UPC in accordance with its terms, except as limited by applicable bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting creditors' rights and remedies generally and general principles of equity.

(c) Neither the execution and delivery of this Agreement by UPC, nor the performance of its obligations hereunder, nor the consummation of the transactions contemplated hereby, will (i) violate any applicable law to which UPC is subject, (ii) violate or conflict with any provision of the charter or by-laws of UPC, or (iii) conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify or cancel, or require any notice under, any agreement, contract, lease, license or instrument to which UPC is a party or by which it is bound or to which any of its assets is subject, except in each case for any violation, conflict, breach, default, acceleration, termination, modification, cancellation or failure to give notice which will not have a material adverse effect on the ability of UPC to consummate the transactions contemplated by this Agreement. UPC is not required to give any notice to, make any filing with, or obtain any authorization, consent or approval of any

governmental entity in order for UPC to consummate the transactions contemplated by this Agreement, except for any failure to give notice, or to file or obtain any authorization, consent or approval which would not have an adverse effect on the ability of UPC to consummate the transactions contemplated by this Agreement.

(d) There are no outstanding shares of capital stock of OHI other than the 100 OHI Shares held of record and owned beneficially by UPC. UPC owns and holds of record and beneficially such OHI Shares free and clear of any and all liens, claims, encumbrances, security interests, options, charges and restrictions of any kind, other than restrictions on transfer of the OHI Shares imposed under applicable Federal or State securities laws. All of the OHI Shares have been duly authorized and are validly issued, fully paid and nonassessable. UPC is not a party to, and is not otherwise subject to or bound by, any voting trusts, proxies, or other agreements or

-8-

understandings with respect to the voting of any capital stock of OHI, other than the rights of Overnite under this Agreement. Except for the rights of Overnite under this Agreement, there are no outstanding options, warrants or rights to purchase or acquire, or otherwise entitling the holder thereof to participate in or otherwise receive any payment based on the value of, any securities of OHI (including the OHI Shares).

(e) The authorized capital stock of OTC consists of 40 million shares of common stock, \$1.00 par value per share (the "OTC Shares"), of which 1,000 OTC Shares are validly issued and outstanding, fully paid and nonassessable. OHI is the sole registered and beneficial holder of the outstanding OTC Shares. None of the OTC Shares have been issued in violation of, and none of the OTC Shares is subject to, any preemptive or subscription rights. Except for the OTC Shares, there are no shares of capital stock or other equity securities of OTC outstanding. There are no outstanding warrants, options, agreements, convertible or exchangeable securities or other commitments (other than this Agreement) pursuant to which UPC or OHI is or may become obligated to sell, purchase or return any shares of capital stock or other securities of OTC.

3A. Representations and Warranties of Overnite, OHI and OTC.

Overnite, OHI and OTC hereby represent and warrant, as of the Closing, to UPC as follows:

(a) Each of Overnite, OHI and OTC is duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation, and each of Overnite, OHI and OTC has full corporate power and authority to execute and deliver this Agreement and to perform its obligations hereunder. The execution and delivery of this Agreement by Overnite, OHI and OTC and the performance by each of them of their respective obligations hereunder have been duly and validly authorized by all necessary corporate action on the part of such party, and this Agreement has been duly and validly executed and delivered

by such party.

(b) This Agreement constitutes the valid, legal and binding obligation of

-9-

Overnite, OHI and OTC, enforceable against each of such parties in accordance with its terms, except as limited by applicable bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting creditors' rights and remedies generally and general principles of equity.

(c) Neither the execution and delivery of this Agreement by Overnite, OHI or OTC, nor the performance of their respective obligations hereunder, nor the consummation of the transactions contemplated hereby, will (i) violate any applicable law to which Overnite, OHI or OTC is subject, (ii) violate or conflict with any provision of the charter or by-laws of Overnite, OHI or OTC or (iii) conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify or cancel, or require any notice under any agreement, contract, lease, license or instrument to which Overnite, OHI or OTC is a party or by which it is bound or to which any of its assets is subject, except in each case for any violation, conflict, breach, default, acceleration, termination, modification, cancellation or failure to give notice which will not have a material adverse effect on the ability of Overnite, OHI or OTC to consummate the transactions contemplated by this Agreement. Neither Overnite, OHI nor OTC is required to give any notice to, make any filing with, or obtain any authorization, consent or approval of any governmental entity in order for Overnite, OHI or OTC to consummate the transactions contemplated by this Agreement, except for any failure to give notice, or to file or obtain any authorization, consent or approval which would not have a material adverse effect on the ability of Overnite, OTC or OHI to consummate the transactions contemplated by this Agreement.

(d) Overnite acknowledges that the OHI Shares being acquired by it hereunder have not been registered under the 1933 Act or registered or qualified under applicable state securities laws. The OHI Shares purchased by Overnite pursuant to this Agreement are being acquired for investment only and not with a view towards any public distribution thereof, and Overnite will not offer to sell or otherwise dispose of the OHI Shares so acquired by it in violation of any of the registration requirements of the 1933 Act or any comparable state laws.

-10-

4. Indemnification by Overnite. The Overnite Group shall release,

indemnify, defend and hold harmless the UPC Group and the respective directors, officers, employees, agents and representatives thereof from and against any and all losses, claims, damages, liabilities, demands, suits and actions (by any person), including all reasonable attorneys' fees and disbursements and other

costs and expenses incurred in connection therewith (collectively, "Indemnifiable Losses"), relating to, resulting from, or arising out of (a) any Overnight Liabilities, (b) any Overnight Securities Liabilities, (c) any fees and expenses described in clauses (i), (v), (vi), (vii), (viii), (ix) and (x) of the definition of Transaction Costs, and (d) any failure by the Overnight Group to comply with the terms and conditions of this Agreement or any other agreement executed in connection with the Offering or the Acquisition. No payment by Overnight pursuant to clauses (a) or (b) of the foregoing sentence shall be required until such time as the aggregate amount which would be so payable under such clauses exceeds \$25,000, and at such time the entire aggregate amount (and not only the excess over \$25,000) will become payable.

5. Indemnification by the UPC Group. The UPC Group shall release,

indemnify, defend and hold harmless the Overnight Group and the respective directors, officers, employees, agents and representatives thereof from and against any and all Indemnifiable Losses relating to, resulting from, or arising out of (a) any UPC Liabilities, (b) any UPC Securities Liabilities, (c) any fees and expenses described in clauses (ii), (iii) and (iv) of the definition of Transaction Costs, and (d) any failure by UPC to comply with the terms and conditions of this Agreement or any other agreement executed in connection with the Offering or the Acquisition. No payment by UPC pursuant to clauses (a) or (b) of the foregoing sentence shall be required until such time as the aggregate amount which would be so payable under such clauses exceeds \$25,000, and at such time the entire aggregate amount (and not only the excess over \$25,000) will become payable.

-11-

6. Guarantees, Bonds, Etc. The Overnight Group shall use all reasonable

efforts to obtain promptly the release of UPC, or the substitution of any member of the Overnight Group for UPC, on all Guarantees. The Guarantees shall include, but not be limited to, the agreements listed in Schedule A hereto, and any renewals thereof or substitutions therefor. UPC shall cooperate with the Overnight Group in obtaining such releases or substitutions, provided that it shall not be required to incur any non-de minimis liability or unreimbursed expense in doing so. The Overnight Group agrees to indemnify, defend and hold harmless the UPC Group, and the directors, officers, employees, agents and representatives thereof, from and against any Indemnifiable Losses relating to, resulting from, or arising out of, any Guarantee. UPC shall be subrogated to the rights of any beneficiary of a Guarantee against the Overnight Group to the extent that UPC is required to make any payment under such Guarantee. UPC agrees not to unilaterally terminate or withdraw any Guarantee and agrees to abide by the terms of the Guarantees if, to UPC's knowledge after reasonable inquiry, such termination, withdrawal or non-compliance would cause more than a de-minimis liability to the Overnight Group or result in the Overnight Group's default under or violation of the terms of any agreement with a third party.

7. Collateral. (a) So long as the Guaranty relating to the Japanese

Lease Financing, identified as Item 1 on Schedule A hereto, remains in effect or otherwise continues to apply to UPC, Overnite agrees that it shall meet the financial covenants which are contained in Article VI of the Bank Credit Agreement as if such covenants were set forth in this Agreement. During the period that Overnite is required to comply with the foregoing covenants under the terms hereof, the Overnite Group shall promptly notify UPC if it ever fails to comply with any such covenant, and shall furnish to UPC such information respecting the condition or operations, financial or otherwise, of the Overnite Group, as UPC may from time to time reasonably request.

-12-

(b) In the event that the Overnite Group fails to comply with Section 5(a), UPC may request, and the Overnite Group shall promptly deposit with UPC, Collateral (as defined below) having a value equal to the maximum amount then payable upon termination of the Japanese Leveraged Lease referred to above, including any repayment of debt or equity investment required in connection with such termination. For purposes of this Agreement, the term ACollateral@ shall mean (i) cash; (ii) U.S. Treasury Bills maturing not more than 180 days from the date of delivery thereof by the Overnite Group to UPC; (iii) commercial paper (other than the commercial paper of a party hereto or its Affiliates) denominated in U.S. dollars, provided that such commercial paper (A) continues to be rated at least "A-1" by Standard & Poor's Corporation and AP-1" by Moody's Investors Service Inc., or the equivalent ratings by two nationally recognized investment rating services, or, if unrated, is guaranteed by a company having outstanding commercial paper that is so rated, (B) remains readily marketable and is not convertible into capital stock, and (C) matures not more than 180 days from the date of delivery to UPC; (iv) an irrevocable standby letter of credit, in a form and issued by a bank reasonably acceptable to UPC; and (v) any payments or other distributions received with respect to any of the aforesaid Collateral. For purposes of this Agreement, non-cash Collateral shall be valued at market value, except that any letters of credit shall be valued at the face amount thereof. The Overnite Group shall deposit any Collateral no later than one Business Day following the date UPC's request therefor is received, into one or more accounts identified by UPC which reasonably identify the Overnite Group's ownership interest and UPC's security interest in such Collateral.

(c) If on any Business Day the value of the aggregate Collateral then on deposit exceeds the Collateral required to be on deposit pursuant to this Agreement, then UPC, within one Business Day of the Overnite Group's demand therefor, shall return such excess amount of Collateral to the Overnite Group; provided, however, that UPC shall not be required to return Collateral that it would otherwise be obligated to return to the extent any claims have been asserted against UPC

-13-

for payment under the Guaranty referred to in Section 7(a) above or if the Overnite Group has failed to make any indemnity payment required under this

Agreement with respect to such Guaranty. UPC may, at its option, satisfy its obligation under this Section 7(c) through the return of cash or non-cash Collateral, or both.

(d) The Overnight Group shall earn interest on its cash Collateral from and including the date of deposit to but excluding the date such Collateral is returned at a rate per annum equal to the rate at which the account designated by UPC actually bears interest (UPC to use reasonable efforts to obtain the highest interest rate for liquid deposits in such amount from time to time offered by its bank). Such interest shall be calculated in accordance with the usual practices of the bank at which such account is established. UPC shall remit interest to an account designated by the Overnight Group within three Business Days of its demand therefor; provided that such payment shall not be required more frequently than on a quarterly basis.

(e) In the event the Collateral requirements of this Section 7 are applicable, as security for the payment of all amounts due or that may become due by the Overnight Group to or on behalf of UPC in accordance with this Agreement with respect to the Guaranty referred to in Section 7(a), above, the Overnight Group hereby grants to UPC a security interest in all Collateral and all payments thereon and proceeds thereof, and additions thereto and substitutions therefor, which are and may hereafter be delivered or otherwise transferred to UPC by the Overnight Group in accordance with the provisions of this Agreement, and the Overnight Group hereby agrees to take all actions reasonably requested by UPC in order to perfect the security interest granted hereunder. UPC may apply Collateral on deposit with it pursuant to this Section 7 to satisfy the indemnity obligations of the Overnight Group with respect to the Guaranty referred to in Section 7(a), above, if and when payment of such amounts has not been made or received.

8. Third Party Claims. (a) If any person entitled to indemnification

under this

-14-

Agreement (an "Indemnitee") receives notice of the assertion of any claim or of the commencement of any action or proceeding by any person that is not a party to this Agreement or a subsidiary of any such party (a "Third Party Claim") against such Indemnitee, the Indemnitee shall promptly provide written notice thereof (including a description of the Third Party Claim and an estimate of any Indemnifiable Losses (which estimate shall not be conclusive as to the final amount of such Indemnifiable Losses)) to the party required to provide indemnification under this Agreement (the "Indemnifying Party") within 10 calendar days after the Indemnitee's receipt of notice of such Third Party Claim. Any delay by the Indemnitee in providing such written notice shall not relieve the Indemnifying Party of any liability for indemnification hereunder except to the extent that the rights of the Indemnifying Party are materially prejudiced by such delay.

(b) The Indemnifying Party shall have the right to participate in or, by giving written notice to the Indemnitee, to assume the defense of any Third Party Claim at such Indemnifying Party's expense and by such Indemnifying Party's own counsel (which shall be reasonably satisfactory to the Indemnitee), and the Indemnitee will cooperate in good faith in such defense. The Indemnitee may retain its own counsel with respect to such Third Party Claims, but the Indemnifying Party shall not be liable for any legal expenses incurred by the Indemnitee after the Indemnitee has received notice of the Indemnifying Party's intent to assume the defense of a Third Party Claim, unless the named parties to such Third Party Claim (including any impleaded parties) include both the Indemnifying Party and the Indemnitee and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. If the Indemnifying Party fails to take steps reasonably necessary to diligently pursue the defense of such Third Party Claim within 10 days of receipt of notice from the Indemnitee that such steps are not being taken, the Indemnitee may assume its own defense and the Indemnifying Party shall be liable for the reasonable costs thereof.

(c) The Indemnifying Party may settle any Third Party Claim which it has

-15-

elected to defend so long as the written consent of the Indemnitee to such settlement is first obtained (which consent shall not be unreasonably withheld). The Indemnified Party shall not settle any Third Party Claim without the written consent of the Indemnifying Party unless the Indemnifying Party elects not to defend such Third Party Claim.

(d) In the event that a Third Party Claim involves a proceeding as to which both the UPC Group and the Overnite Group may be Indemnifying Parties, the parties hereto agree to cooperate in good faith in a joint defense of such Third Party Claim.

(e) Notwithstanding subsections (b), (c), and (d) of this Section 8, the provisions of Article IV, V, and VI of that certain Tax Allocation Agreement entered into by Union Pacific Corporation, Overnite, OHI, and OTC of even date herewith (the "Tax Allocation Agreement") shall control and supercede this Agreement with respect to any Third Party Claim by a taxing authority.

9. Contribution. If the indemnification provided for in this Agreement

with respect to Overnite Securities Liabilities or UPC Securities Liabilities is for any reason held by a court or other tribunal to be unavailable on policy grounds or otherwise, the UPC Group and the Overnite Group shall contribute to the Indemnifiable Losses in such proportion as to reflect each party's relative fault in connection with such Indemnifiable Losses. The relative fault of the parties shall be determined by reference to, among other things, whether the conduct or information giving rise to the Indemnifiable Losses is attributable to the UPC Group or the Overnite Group and each party's relative intent, access

to information and opportunity to prevent or correct the Indemnifiable Losses. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) shall be entitled to contribution from any person who is not guilty of fraudulent misrepresentation.

-16-

10. Cooperation. So long as any books, records and files retained by the

UPC Group or the Overnite Group relating to the present or past businesses, operations or assets of the Overnite Group remain in existence and available, the UPC Group and the Overnite Group shall have the right upon prior written notice to inspect and copy the same at any time during business hours for any proper purpose, provided that such right will not extend to any books, records and files, disclosure of which in accordance herewith would result in a waiver of the attorney-client, work product or other privileges which permit non-disclosure of otherwise relevant material in litigation or other proceedings, or which are subject on the date hereof and at the time inspection is requested to a non-disclosure agreement with a third party and a waiver cannot reasonably be obtained, provided that, in the case of material requested of the Overnite Group, such request relates only to the businesses, operations or assets of the Overnite Group as constituted on or prior to Closing or books, records and files reasonably required by the UPC Group for tax, accounting or financial reporting purposes or to enforce its rights under this Agreement or any other agreement executed by the Overnite Group and the UPC Group in connection with the Offering or Acquisition. The UPC Group and the Overnite Group agree that they shall not destroy any such books, records or files without reasonable notice to the other party or if such party receives within 10 days of such notice any reasonable objection from the other party to such destruction. Except in the case of dispute between the parties hereto, the UPC Group and the Overnite Group shall cooperate with one another in a timely manner in any administrative or judicial proceeding involving any matter affecting the actual or potential liability of either party hereunder. Such cooperation shall include, without limitation, making available to the other party during normal business hours all books, records and information, and officers and employees (without substantial disruption of operations or employment) necessary or useful in connection with any inquiry, audit, investigation or dispute, any litigation or any other matter requiring any such books, records, information, officers or employees for any reasonable business purpose. The party requesting or otherwise entitled to any

-17-

books, records, information, officers or employees pursuant to this Section 10 shall bear all reasonable out-of-pocket costs and expenses (except for salaries, employee benefits and general overhead) incurred in connection with providing such books, records, information, officers or employees. Notwithstanding the foregoing, the provisions of this Section 10 shall not affect the rights and obligations of the parties under the Tax Allocation Agreement.

11. Section 338 Elections and Related Matters. (a) Overnite agrees

(i) to make timely joint elections with UPC under Section 338(h)(10) of the Code and the regulations thereunder with respect to the Acquisition and the deemed acquisition of OTC (the "Section 338(h)(10) Elections"), and (ii) to make (or to cause the appropriate affiliate or affiliates of Overnite to make) any and all similar elections available under any applicable state or local law with respect to the Acquisition and the deemed acquisition of OTC (the "Section 338(h)(10) Subelections"). Overnite further agrees (x) to cause to be made express elections under Section 338(g) of the Code and the regulations thereunder to the extent necessary to allow the Section 338(h)(10) Elections to be made (the "Section 338(g) Elections"), and (y) to make any and all similar elections available under any applicable state or local law, to the extent necessary to allow any Section 338(h)(10) Subelection to be made (the "Section 338(g) Subelections").

(b) As requested from time to time by UPC (whether before, at, or after the Closing), Overnite shall assist UPC in, and shall provide the necessary information to UPC in connection with, the preparation of Internal Revenue Service Form 8023, Elections Under Section 338 For Corporations Making Qualified Stock Purchases, and any comparable or related forms required under any applicable state or local law, and the required schedules or statements thereto (the "Section 338 Election Forms") relating to the Section 338(h)(10) Elections and the Section 338(g) Elections and any Section 338(h)(10) Subelections and any Section 338(g) Subelections. Without limiting the generality of the preceding sentence and with respect to each Section 338 Election Form

-18-

delivered by UPC to Overnite on or before the Closing, Overnite shall, no later than the Closing, cause each such Section 338 Election Form to be duly executed by Overnite or an affiliate of Overnite, as appropriate, and shall deliver the same to UPC at the Closing. If UPC determines at or after the Closing that any change is to be made in a Section 338 Election Form previously executed by Overnite or an affiliate of Overnite and delivered by Overnite to UPC, then UPC may prepare a new Section 338 Election Form and deliver such new Section 338 Election Form to Overnite, and Overnite shall cause such Section 338 Election Form to be duly executed by Overnite or an affiliate of Overnite, as appropriate, and shall promptly deliver such executed Section 338 Election Form to UPC.

(c) UPC shall timely file (or cause to be filed) the Section 338 Election Forms on behalf of UPC and Overnite, and shall provide notice of such filing to Overnite. UPC and Overnite shall thereafter take any and all actions necessary or appropriate to effect the timely filing of any other Section 338 Election Forms required to be filed for any applicable state or local tax purposes.

(d) With respect to the filings described in Section 11 (c) above, Overnite, OHI, OTC and UPC will (i) treat as valid the Section 338(h)(10)

Elections and the Section 338(g) Elections with respect to the Acquisition and the deemed acquisition of OTC, and any Section 338(h)(10) Subelections and any Section 338(g) Subelections, (ii) not take any action inconsistent with such treatment, and (iii) timely file, or cause to be filed, all tax returns affected by such filings in a manner consistent with the Section 338(h)(10) Elections and the Section 338(g) Elections and any Section 338(h)(10) Subelections and any Section 338(g) Subelections (including but not limited to attaching such Section 338 Election Forms and the schedules related thereto to the appropriate tax returns in the manner prescribed by applicable regulations or other applicable law).

(e) Overnite, OHI, and OTC, on the one hand, and UPC, on the other hand, shall cooperate and consult with each other in good faith in order to reach a mutually acceptable agreement with respect to the allocation of the Purchase Price among the assets of Overnite, OHI,

-19-

and OTC for purposes of the Section 338 Election Forms.

12. Use of Union Pacific Name; Shield. The Overnite Group hereby agrees

that it will not use or authorize or permit any other person to use the name "Union Pacific," including any logo, trademark or design containing such name, or the Union Pacific shield or similar design, at any time after the 30/th/ day following the Closing.

13. Assignment. Neither party may assign any of its rights or delegate

any of its duties under this Agreement without first obtaining the prior written consent of the other party, which may be withheld by such other party in its absolute discretion. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their successors and permitted assigns.

14. Notices. All notices and other communications to be given hereunder

shall be in writing and delivered in person or mailed postage prepaid or sent by telegram or other facsimile transmission to the following addresses:

If to UPC:

Union Pacific Corporation
1717 Main Street
Suite 5900
Dallas, Texas 75201
Attn: Senior Vice President and General Counsel
Telecopy No.: (214) 743-5741

If to Overnite, OHI or OTC:

Overnite Corporation
1000 Semmes Avenue
Richmond, VA 23224-2246
Attn: Senior Vice President and Chief Financial Officer
Telecopy No.: (804) 231-8501

-20-

or to such other addresses as either party may designate in writing. All notices or communications shall be effective upon receipt.

15. No Third Party Beneficiaries. The provisions of this Agreement are -----
intended solely to establish the relative rights and responsibilities between the UPC Group and the Overnite Group, and except as set forth in the provisions of this Agreement which expressly provide for the indemnification of members of the UPC Group or the Overnite Group, or the respective directors, officers, employees, agents and representatives thereof, nothing in this Agreement, express or implied, is intended or will be construed to confer upon or give any person other than the parties hereto and their respective successors and permitted assigns any rights, remedies or obligations under or by reason of this Agreement or any transaction contemplated hereby.

16. Governing Law. This Agreement shall be governed by and construed in -----
accordance with laws of the State of New York, without giving effect to the principles of conflicts of law thereof.

17. Counterparts. This Agreement may be executed in any number of -----
counterparts, each of which when so executed shall be deemed an original and all of which shall together constitute but one and the same instrument.

18. Entire Agreement. This Agreement constitutes the entire agreement of -----
the parties with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral or written, with respect to such matters. This Agreement may not be amended or otherwise modified except by a written instrument duly executed and delivered by all parties. No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

19. Severability. The provisions of this Agreement are severable, and -----
should any

-21-

provision hereof be void, voidable or unenforceable under any applicable law, such provision shall not affect or invalidate any other provision of this Agreement, which shall continue to govern the relative rights and duties of the parties as though such void, voidable or unenforceable provision were not a part hereof.

20. Incorporation of Schedules. The Schedules identified in and attached -----
to this Agreement are hereby incorporated by reference and made a part hereof.

-22-

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

UNION PACIFIC CORPORATION

By: _____

Title: _____

OVERNITE CORPORATION

By: _____

Title: _____

OVERNITE HOLDING, INC.

By: _____

Title: _____

OVERNITE TRANSPORTATION COMPANY

By: _____

Title: _____

-23-

SCHEDULE A

TO

Indemnification Agreement, dated as of August _____, 1998

among

Union Pacific Corporation ("UPC"),

Overnite Corporation,

Overnite Holding, Inc. ("OHI") and Overnite Transportation Company ("OTC")

1. Union Pacific Guaranty Agreement, dated as of March 18, 1994, between Richmond Truck Lease Co., Ltd. and UPC concerning the Japanese leveraged lease financing of trucks.
2. Guaranty, dated October 29, 1993, by UPC of OTC's self-insured worker's compensation obligations in Pennsylvania.
3. Guaranty, dated December 28, 1993, by UPC of OTC's self-insured worker's compensation obligations in Missouri.
4. Guaranty, dated July 21, 1995, by UPC of OTC's self-insured worker's compensation obligations in West Virginia.
5. Guaranty, dated June 28, 1988, by UPC of OTC's self-insured worker's compensation obligations in Alabama.
6. Guaranty, dated June 28, 1988, by UPC of OTC's self-insured worker's compensation obligations in North Carolina.
7. Indemnity Agreement, made the 1/st/ day of January, 1991 by and between National Union Fire Insurance Company of Pittsburgh and UPC, and any letter of credit, surety bond, or other security provided by UPC pursuant thereto.

A-1

SERVICES AGREEMENT

THIS SERVICES AGREEMENT (the "Agreement") is made and entered into as of the _____ day of August, 1998 by and between Union Pacific Corporation, a Utah corporation ("UPC"), and Overnite Corporation, a Virginia corporation ("Overnite").

WHEREAS, Overnite intends to issue and sell or cause to be issued and sold all of its outstanding common stock through an initial public offering (the closing of which is hereafter referred to as the "Offering"); and

WHEREAS, immediately following the Offering, Overnite intends to purchase all of the issued and outstanding common stock of Overnite Holding, Inc., a Delaware corporation ("OHI"), from UPC (the "Acquisition"), with the result that Overnite will become a publicly-owned company and OHI will become a wholly-owned, direct subsidiary of Overnite; and

WHEREAS, Overnite Transportation Company, a Virginia corporation ("OTC"), is a wholly-owned, direct subsidiary of OHI and immediately following the Acquisition will become a wholly-owned, indirect subsidiary of Overnite; and

WHEREAS, UPC has historically provided to its subsidiaries, including OHI and OTC, certain corporate and administrative services more particularly described hereinafter; and

WHEREAS, UPC and Overnite desire that UPC continue to provide such services following the Offering and Acquisition pursuant to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained, the parties hereto agree as follows:

1. Services. Following the Offering and Acquisition, UPC will provide or -----
cause to be provided to Overnite and its subsidiaries, those corporate and administrative services described in Exhibit A hereto (the "Services"). The scope of the Services shall be adjusted by the parties as needed to conform to good business practice and the requirements of applicable laws, regulations and tariffs, and as otherwise agreed to by the parties.

2. Charges for Services. (a) In consideration for the Services provided -----
or caused to be provided, Overnite agrees to pay the following charges to UPC:

(i) Charges for Services performed by UPC through a third party (other than a subsidiary of UPC) shall be equal to the final invoiced costs charged by such third party to perform those Services. With respect to all other Services not to be provided through such a third party, UPC and Overnite will negotiate in good faith fees to be charged on a quarterly or one-time basis depending on the Services to be provided. Fees for Services provided directly by UPC or a subsidiary of UPC shall, unless specifically addressed in Exhibit A hereto, be based on the estimated costs of providing such Services, which shall include a reasonable allocation of direct and indirect overhead costs (including, without limitation, employee salaries, benefits and other costs and reasonable travel and other out-of-pocket expenses expected to be incurred in connection therewith).

(ii) So long as any Services are provided hereunder, UPC and Overnite will review all fees negotiated hereunder and the scope of Services being provided on a quarterly basis. If either party believes that the actual cost of providing the Services represented by such fees will vary by at least 10% of the then current cost of providing such Services, the parties hereto will negotiate in good faith new fees reflecting such variation. All new fees shall apply prospectively only and no adjustment will be made to fees payable with respect to a preceding quarter.

(iii) If any additional Services are included hereunder, or if the scope or nature of Services provided at any time under this Agreement changes significantly, the parties hereto will negotiate in good faith new fees based on the estimated cost of providing such additional or revised Services, as contemplated in Section 2(a)(i).

3. Payments. (a) UPC shall submit to Overnite by the 10th working

day of each quarter an invoice for all charges associated with Services provided during the preceding quarter, including any other amounts payable in respect of the preceding quarter. All invoices shall describe in reasonable detail the Services provided and the charges associated therewith, any related adjustments and any other amounts that are payable. Except as provided in subparagraph (b) below, Overnite shall remit payment in full for all charges invoiced on or before the last working day of the month in which the invoice is received. Payment of all invoices shall be made by wire transfer of

-2-

immediately available funds to an account or accounts designated by UPC. Any late payment shall bear interest at the rate of 1% per month or fraction thereof until paid.

(b) In the event of a dispute as to an invoiced amount, Overnite shall promptly pay all undisputed amounts, but shall be entitled to withhold amounts in dispute, and shall promptly notify UPC of such dispute and the basis therefor. The parties agree to provide each other with sufficient records and

information to resolve such dispute and, without limiting the rights and remedies of the parties hereunder, to negotiate in good faith a resolution thereto. Notwithstanding this clause (b), the late payment interest provision in Section 3(a) shall apply to all such withheld amounts that are ultimately determined to be due.

4. Term of Agreement. The term of this Agreement shall commence

immediately following the Offering and Acquisition and shall continue thereafter unless terminated by agreement of the parties hereto. Notwithstanding the foregoing, this Agreement shall become terminable, upon not less than 30 days' prior written notice (i) with respect to any Services or any part thereof, at any time by Overnite, or (ii) in whole or in part with respect to any Services, at any time by UPC on or after the 18th month following the Offering except for Services or any part thereof described in Item 6 to Exhibit A hereto which may be terminated at any time by UPC following 30 days prior written notice. Termination under this Paragraph 4 or otherwise shall have no effect on the obligations of the parties to provide Services prior to the effective date of such termination or to make payments in respect of charges incurred in connection therewith or which relate to events occurring prior to such date.

5. Performance of Services. (a) UPC shall perform the Services or cause

the Services to be performed with the same degree of care, skill and prudence customarily exercised for its own operations. It is understood and agreed that the Services will be substantially identical in nature and quality to the Services performed by UPC for OTC and its subsidiaries during the year prior to the commencement of the term of this Agreement, except as required by Overnite's becoming a public company after the Offering.

(b) Each party acknowledges that the Services will be provided only with respect to the businesses of Overnite and its subsidiaries as such businesses exist immediately following the Offering and Acquisition or as otherwise mutually agreed by the parties. Services will not be

-3-

requested for the benefit of any entity other than Overnite and its subsidiaries. Overnite agrees that it will use the Services only in accordance with all applicable federal, state and local laws, regulations and tariffs and in accordance with the reasonable conditions, rules, regulations and specifications which are or may be set forth in any manuals, materials, documents or instructions of UPC. UPC reserves the right to take all actions, including the termination of any Services or part thereof, in order to assure that the Services are provided in accordance with any applicable laws, regulations and tariffs.

(c) Any input or information needed by either party to perform or utilize the Services pursuant to the provisions of this Agreement shall be provided by the other party or its subsidiaries, as the case may be, in a manner

consistent with the practices employed by the parties during the year prior to the Offering. Should the failure by Overnite to provide such input or information render the performance of the Services impossible or unreasonably difficult, UPC may, upon reasonable notice, refuse to provide such Services.

6. Liability and Indemnification. Except as provided below, UPC shall

have no liability under this Agreement for damage or loss of any type suffered by Overnite or its subsidiaries or any third party as a result of the performance or non-performance of the Services. Each party shall indemnify, defend and hold the other party harmless from and against all damages, losses and out-of-pocket expenses (including fees and disbursements of counsel) caused by or arising out of any willful breach or gross negligence by such indemnifying party in the performance or non-performance of any obligation or agreement contained herein or by the willful misconduct of such indemnifying party. In the event of a claim against UPC by a third party, Overnite shall indemnify, defend and hold UPC harmless from and against all damages, losses and out-of-pocket expenses (including fees and disbursements of counsel) caused by or arising out of the performance or non-performance of the Services, except where caused by the willful breach or negligence of UPC or UPC's willful misconduct. Notwithstanding any other provision of this Agreement, UPC shall have no liability for the acts or omissions of any third party (other than a subsidiary of UPC) that provides Services hereunder so long as UPC has not been grossly negligent in the selection of such third party. For purposes of this section, Services shall include services performed by UPC pursuant to the Tax Allocation Agreement, dated August __, 1998, between UPC and Overnite, OHI and OTC.

-4-

7. Confidentiality. The parties each agree to hold in trust and maintain

confidential, and, except as required by law or applicable rules and regulations promulgated thereunder or by court order or other legal process, not to disclose to others without first obtaining the prior written approval of the other party, any information received by it from the other party or developed or otherwise obtained by it under this Agreement, including all information resulting from the provision or utilization of the Services hereunder (collectively, the "Information"). At the time of termination of this Agreement in whole or in part, each party shall, within 90 days after the effective date of such termination, return to each other all written Information that it obtained and shall not retain or allow any third party to retain photocopies or other reproductions of such Information, provided that (i) the parties may retain any Information to the extent reasonably needed to comply with applicable tax, accounting or financial reporting requirements or to resolve any legal issues identified at the time of termination, and (ii) in the case of a partial termination of this Agreement, the parties may retain any Information required to perform or utilize any remaining Services covered by this Agreement. Alternatively, each party may, upon receipt of the written consent of the other party, destroy such Information instead of returning the same pursuant to the foregoing sentence. The obligations set forth in this Paragraph 7 shall not

apply to any Information which is shown by either party to be or have become knowledge generally available to the public other than through the acts or omissions of such party.

8. Assignment. Neither party shall assign or transfer any of its rights

or delegate any of its obligations under this Agreement without first obtaining the prior written consent of the other party, which consent may be withheld by such other party in its sole discretion; provided that UPC shall be permitted to cause any Services to be provided on UPC's behalf through one or more third parties selected by UPC; and provided further that the selection of any third party by UPC shall be subject to the prior written consent of Overnite (which shall not be unreasonably withheld or delayed) unless such third party shall have provided the same or similar Services to UPC or its affiliates at any time during the 12 months immediately preceding the Offering. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their successors and permitted assigns.

-5-

9. Notices. All notices and other communications to be given hereunder

shall be in writing and delivered in person, mailed postage prepaid or sent by telegram or other facsimile transmission to the following addresses:

Union Pacific Corporation
1717 Main Street
Suite 5900
Dallas, Texas 75201
ATTN: Vice President and Controller
Telecopy No.: (214) 743-5794

Overnite Corporation
1000 Semmes Avenue
Richmond, VA 23224-2246
ATTN: Senior Vice President and Chief Financial Officer
Telecopy No.: (804) 231-8501

or to such other addresses as either party may designate in writing. All notices or communications given by personal delivery or mail shall be effective upon receipt. Notice given by telecopier or telegram shall be effective upon receipt if received during the recipient's normal business hours, or at the beginning of the recipient's next business day after receipt if not received during the recipient's normal business hours.

10. Governing Law. This Agreement shall be governed by and construed in

accordance with the laws of the State of New York, without giving effect to the principles of conflicts of laws thereof .

11. Counterparts. This Agreement may be executed in any number of

counterparts, each of which when so executed shall be deemed an original but all of which shall together constitute but one and the same instrument.

12. Entire Agreement. This Agreement constitutes the entire agreement of

the parties with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral or written, with respect thereto. This Agreement may not be amended or otherwise modified except by a written instrument duly executed by both parties. No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any

-6-

other right, power or privilege.

13. Severability. The provisions of this Agreement are severable and

should any provisions hereof be void, voidable or unenforceable under any applicable law, such provision shall not affect or invalidate any other provision of this Agreement, which shall continue to govern the relative rights and duties of the parties as though such void, voidable or unenforceable provision were not a part hereof.

-7-

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

UNION PACIFIC CORPORATION

By: _____

Title: _____

OVERNITE CORPORATION

By: _____

Title: _____

-8-

Exhibit A

Description of Services

1. Financial Reporting and Accounting Research - UPC will assist in the

preparation of quarterly and annual financial statements and related disclosures in SEC and shareholder documents for Overnite as well as all SEC-required filings. UPC will also provide assistance in researching the impact of new and proposed accounting standards on Overnite and advice on appropriate accounting treatment for proposed transactions or other issues.

2. Internal Auditing - UPC will assist in the structuring of internal

audits of Overnite related to internal accounting and administrative controls over corporate assets as well as reviews of operational and financial management.

3. Compensation Plans - UPC will assist Overnite through periodic

consulting regarding the design and implementation of its stock and executive compensation plans, including its management and executive incentive plans.

4. Insurance - UPC will assist Overnite in structuring and negotiating

the terms of a property and liability insurance program.

5. Legal - UPC will provide legal assistance and advice to Overnite on

corporate, SEC and financial matters.

6. Governmental Relations - UPC will make one person in its Washington,

D.C. office available to Overnite to provide lobbying and legislative affairs services at the Federal Congressional and Executive levels and advice regarding political action committees and attendance at political fund raisers; provided that such person shall be required to devote no more than one-half of such person's normal work time to providing such Services and such person will not be required to provide Services which, in the sole judgement of UPC's Vice President-Government Affairs, are or would be in conflict with or detrimental to the interests of the UPC Group. Overnite will pay for the Services provided in this paragraph 6 an amount equal to \$12,500 per month, but will not be charged for any overhead, supplies, and equipment used by such person in performing Services hereunder, including without limitation any office, fax machine, telephone, secretarial support and reasonable entertainment expenses. In addition UPC's Vice President - Government Affairs agrees to request lobbying firms currently on retainer to UPC to provide services at their hourly rate to

Overnite without requiring any additional or separate retainer, but UPC will have no obligation to Overnite if such firms refuse to provide such services.

7. Proxy Statement -- UPC will provide assistance in the coordination

and preparation by Overnite of any Proxy Statement including the calculation and accumulation of certain components of compensation administered by UPC prior to the Offering.

A-2

TAX ALLOCATION AGREEMENT

BY AND AMONG

UNION PACIFIC CORPORATION,

OVERNITE CORPORATION,

OVERNITE HOLDING, INC.,

AND

OVERNITE TRANSPORTATION COMPANY

DATED AS OF _____, 1998

TABLE OF CONTENTS

	Page

<TABLE>	
<S><C>	<C>
ARTICLE I - DEFINITIONS AND OTHER PROVISIONS.....	2
Section 1.1 Overnite Consolidated Group.....	2
Section 1.2 UPC Consolidated Group.....	3
Section 1.3 Combined Consolidated Group.....	3
Section 1.4 Code.....	3
Section 1.5 Environmental Tax.....	3
Section 1.6 Federal Income Tax.....	3
Section 1.7 Item.....	3
Section 1.8 Minimizing Tax Liabilities.....	3
Section 1.9 Miscellaneous Taxes.....	4
Section 1.10 Party.....	4
Section 1.11 Taxes.....	4
Section 1.12 Timing Item; Turnaround.....	4
Section 1.13 Unitary Income Tax.....	5
Section 1.14 UPC Division; Division.....	5
Section 1.15 Actual Loss.....	5
Section 1.16 1991 Agreement.....	6
ARTICLE II - FILING OF CONSOLIDATED RETURNS AND ELECTIONS.....	6
Section 2.1 Consolidated Return.....	6
Section 2.2 Filing Information.....	7
Section 2.3 Elections.....	7
ARTICLE III - TAX ALLOCATIONS AND EFFECTS OF ASSET RESTRUCTURING.....	8
Section 3.1 Consolidated Federal Income Tax; Environmental Tax.....	8
Section 3.2 Unitary Income Taxes.....	10
Section 3.3 Miscellaneous Taxes.....	11
ARTICLE IV - TAX PAYMENTS AND SETTLEMENTS.....	11
Section 4.1 Estimated and Current Taxes.....	11
Section 4.2 Future Settlements.....	13
Section 4.3 Payments/Refunds.....	13
Section 4.4 Billing Disputes with Taxing Authorities.....	14
ARTICLE V - AUDITS, AMENDED RETURNS, AND LITIGATION.....	14
Section 5.1 Conduct of Audits; Amended Returns.....	14
Section 5.2 Protest; Litigation.....	16
Section 5.3 Opinion Procedure.....	17
Section 5.4 Adjustments.....	20
</TABLE>	
<TABLE>	
<S> <C>	<C>
ARTICLE VI - COOPERATION ON RECORDS.....	21
Section 6.1 Furnish Books and Records.....	21
Section 6.2 Notice of Audits.....	21

Section 6.3	Record Retention.....	22
Section 6.4	Cost of Producing Records.....	22
ARTICLE VII - INDEMNIFICATIONS.....22		
Section 7.1	Federal Income, Environmental, and Unitary Income	
Taxes.....		22
Section 7.2	Miscellaneous Taxes.....	23
ARTICLE VIII - DISPUTES.....23		
Section 8.1	Accounting Firm.....	23
Section 8.2	Resolution of Dispute.....	24
Section 8.3	Binding Resolution.....	24
Section 8.4	Costs of Dispute Resolution.....	24
ARTICLE IX - MISCELLANEOUS.....25		
Section 9.1	Sharing of Information.....	25
Section 9.2	Confidentiality.....	25
Section 9.3	Successors.....	25
Section 9.4	Governing Law.....	26
Section 9.5	Headings.....	26
Section 9.6	Notices.....	26
Section 9.7	Services.....	27
Section 9.8	Severability.....	28
Section 9.9	Effective Date; Termination.....	28
Section 9.10	Counterparts.....	28
Section 9.11	Entire Agreement; Termination of Prior Agreements.....	28
APPENDIX I - ALLOCATION OF FEDERAL INCOME TAX LIABILITIES AND		
BENEFITS ATTRIBUTABLE TO SPECIFIC TAX ITEMS.....I-1		
	Net Operating Losses (NOLs).....	I-1
	Capital Gains and Losses.....	I-2
	Section 1231 Gains and Losses.....	I-3
	Charitable Contribution Deductions.....	I-5
	Dividends-Received Deduction.....	I-5
	Alternative Minimum Tax (AMT) and	
	Minimum Tax Credit (AMT Credit).....	I-6
	Credit for Producing Fuel from a Nonconventional	
	Source (Fuel Credit).....	I-7
	Investment Tax Credit (ITC) and Investment Tax Credit	
	Recapture (ITC Recapture).....	I-7
	i.Credit for Increasing Research Activities (R&D Credit).....	I-8
	j.Targeted Jobs Credit.....	I-8
	Credit for Federal Tax on Gasoline and Special Fuels.....	I-9
</TABLE>		
<TABLE>		
<S><C>		
	Enhanced Oil Recovery Credit (EOR Credit).....	I-9
	m.Foreign Tax Credits.....	I-9
	n.Interest on Tax Deficiencies and Refund Claims.....	I-10
	Penalties; Additions to Tax.....	I-10
	Unspecified Items.....	I-11
APPENDIX II - ALLOCATION OF UNITARY INCOME TAX		
LIABILITIES AND BENEFITS.....II-1		
APPENDIX III - ADDITIONAL SERVICES.....III-1		
</TABLE>		

TAX ALLOCATION AGREEMENT

THIS AGREEMENT is entered into as of _____, 1998, between Union Pacific Corporation ("UPC"), a Utah corporation, on behalf of itself and the other members of the UPC Consolidated Group (as hereinafter defined), Overnite Corporation, a Virginia corporation, Overnite Holding, Inc., a Delaware corporation ("Overnite Holding"), and Overnite Transportation Company, a Virginia corporation ("Overnite").

WHEREAS, UPC and Overnite Holding were parties to a certain Tax Allocation Agreement between them dated as of January 1, 1991 (the "1991 Agreement") setting forth and confirming certain matters relating to the inclusion of Overnite Holding, Overnite, and certain other companies in the UPC consolidated federal and state unitary income tax returns; the allocation of tax liabilities for periods during which Overnite Holding, Overnite and other companies were or had been subsidiaries of UPC; the administration of tax audits and proceedings; and the principles embodied in tax allocation policies then in effect between UPC and Overnite Holding and Overnite, after their revision per Article III and Appendices I and II of the 1991 Agreement to accommodate then recent changes in the tax law; and

WHEREAS, the 1991 Agreement provides that it may be amended only by written agreement of UPC and Overnite Holding; and

Corporation (the "IPO"), Overnite Holding will become a wholly-owned subsidiary of Overnite Corporation; and

WHEREAS, UPC, Overnite Corporation, Overnite Holding, and Overnite desire to amend and restate the 1991 Agreement to reflect the IPO and for other reasons;

NOW, THEREFORE, the parties hereto, intending to be legally bound, agree that the 1991 Agreement is amended and restated in full as follows:

ARTICLE I

DEFINITIONS AND OTHER PROVISIONS

1.1 Overnite Consolidated Group. For all periods through the date that

Overnite Holding becomes a wholly-owned subsidiary of Overnite Corporation, the term "Overnite Consolidated Group" means Overnite Holding and the other corporations and the passthrough entities included in that term as defined in the 1991 Agreement. For all periods thereafter, the term "Overnite Consolidated Group" means Overnite Corporation and all other corporations that are members of the affiliated group of corporations (within the meaning of section 1504 of the Code) of which Overnite Corporation is the common parent, together with any passthrough entities (including single member partnerships and limited liability companies) in which Overnite Corporation or any member of such affiliated group is a member, and any other corporations which may become members of such affiliated group or were members of such affiliated group in the past and any

passthrough entities in which Overnite Corporation or any member of such affiliated group may become or was a member.

1.2 UPC Consolidated Group. UPC is the common parent of an affiliated

group of corporations which, excluding members of the Overnite Consolidated Group, is referred to herein as the "UPC Consolidated Group".

1.3 Combined Consolidated Group. The group of corporations composed of the

Overnite Consolidated Group and the UPC Consolidated Group is referred to herein as the "Combined Consolidated Group".

1.4 Code. The Internal Revenue Code of 1986, as amended (including the

corresponding provisions of any subsequent federal tax laws) is referred to herein as the "Code". All references to provisions of the Code shall include any temporary or final Treasury Regulations thereunder.

1.5 Environmental Tax. The environmental tax imposed under section 59A of

the Code is referred to herein as the "Environmental Tax".

1.6 Federal Income Tax. Except as the context otherwise requires, the term

"Federal Income Tax" as used in this Agreement refers to the taxes imposed under sections 1, 11, 47, 55, 531, and 1201 of the Code.

1.7 Item. The term "Item" of a party means any tax attribute, item of

income, loss, deduction, preference, or credit attributable to the assets or activities of that party.

1.8 Minimizing Tax Liabilities. Except as the context otherwise requires,

to "Minimize" or "Minimizing" the tax liabilities of a consolidated group shall mean minimizing the present value of the aggregate liabilities of such group (including all of its members) for such tax or taxes in all periods discounted at a rate of ten percent (10%) per

annum, determined under all the facts and circumstances known (or reasonably anticipated) at the date such minimization is being tested and taking into

account the anticipated out-of-pocket costs of resolving administrative disputes and litigation with the taxing authorities and the likelihood of prevailing.

1.9 Miscellaneous Taxes. All taxes other than consolidated Federal Income

Tax, the Environmental Tax, or Unitary Income Taxes (including but not limited to all federal excise taxes; windfall profits taxes; value added taxes; nonunitary state income taxes; nonunitary state franchise taxes; nonunitary local taxes; real property taxes; personal property taxes; severance taxes; single business taxes; gross receipts taxes; state or local sales, use, or excise taxes; employment and payroll taxes and premiums; and all foreign (federal, local, or provincial) taxes) are referred to herein as "Miscellaneous Taxes".

1.10 Party. The term "Party" means either UPC on the one hand or Overnite

Corporation, Overnite Holding, and Overnite on the other hand together or individually as the context requires; and the term "Parties" means both UPC on the one hand and Overnite Corporation, Overnite Holding, and Overnite on the other hand.

1.11 Taxes. Except as the context otherwise requires, the terms "tax" or

"tax liability" or "tax benefit" as used in this Agreement include any penalties, additions to tax, and interest associated with any such tax and, when used by itself, the term "tax liability" includes both tax liabilities and tax benefits.

1.12 Timing Item; Turnaround. The term "Timing Item" refers to an Item

where any change in the period or periods over which the Item is includible in or deductible from taxable income or creditable against tax will result in an offsetting adjustment

4

("Turnaround") that may be realized in another period or periods.

1.13 Unitary Income Tax. State or local taxing jurisdictions' consolidated

income taxes; unitary or combined reporting income taxes; or consolidated, unitary, or combined reporting franchise taxes are referred to herein as "Unitary Income Tax".

(a) Unitary Group. All members of the Combined Consolidated Group or

portions of such members and all other entities contained in a collective business unit identified by a state or local taxing jurisdiction as the basis for its Unitary Income Tax assessment and for which a Unitary Income Tax return is filed or due, are referred to herein as a "Unitary Group".

(b) Nexus. A presence of property (owned or rented), payroll,

employment of individuals, sales, or other factors which cause a Division's activities to be subject to Unitary Income Tax in a particular taxing jurisdiction is referred to herein as a "Nexus".

1.14 UPC Division; Division. Each grouping of members of the Combined

Consolidated Group (and portions thereof), excluding the Overnite Consolidated Group, whose financial results are or have been reported separately on the consolidated uniform financial reports prepared by the UPC Corporate Accounting Department is referred to herein as a "UPC Division". (For example, as of January 1, 1991, there were seven Divisions: Corporate, Overnite, Railroad, Realty, Resources, Technologies, and USPCI.) A UPC Division or the Overnite Consolidated Group is referred to herein as a "Division".

1.15 Actual Loss. The term "Actual Loss" as used in this Agreement shall be

the net amount of all taxes actually incurred by a party as a result of an action (or failure to act) by another party with respect to matters described in this Agreement, taking into account the anticipated out-of-pocket costs of resolving administrative disputes and

5

litigation with the taxing authorities over the action or failure to act and the likelihood of prevailing (based on the assumption that the taxing authorities would challenge the desired tax treatment). Such tax resulting from such action (or failure to act) shall be calculated using the allocated Federal Income Tax, Environmental Tax, or Unitary Income Tax liability for the appropriate tax jurisdiction, net of the present value of reasonably anticipated related future offsetting tax benefits (based upon the tax law in effect at the time of

computation) discounted at a rate of ten percent (10%) per annum.

1.16 1991 Agreement. Determinations under this Agreement made prior to its

amendment and restatement as of the date first set forth above shall remain
unchanged.

ARTICLE II

FILING OF CONSOLIDATED RETURNS AND ELECTIONS -----

2.1 Consolidated Return. For all periods through the date that Overnite

Holding becomes a wholly-owned subsidiary of Overnite Corporation, UPC shall, to
the extent permitted by law, include the Overnite Consolidated Group in the
consolidated Federal Income Tax and Environmental Tax returns and the Unitary
Income Tax returns which UPC files for the Combined Consolidated Group. UPC
shall have the right to obtain extensions of time to file these returns as it
deems necessary. These returns shall be prepared by UPC and Overnite
Corporation and shall be filed in a timely manner. Overnite Corporation shall
have responsibility and control with respect to determining tax return positions
for Overnite Corporation Items in such returns, provided this is consistent with
lawfully Minimizing the aggregate Federal Income Tax, Environmental Tax, and

6

Unitary Income Tax liabilities of the Combined Consolidated Group.

2.2 Filing Information. -----

(a) Unless an extension is agreed to by UPC, Overnite Corporation shall
supply UPC with completed consolidated Federal Income Tax and Environmental Tax
returns for the Overnite Consolidated Group and the data and information
necessary to prepare the Unitary Income Tax returns to be filed by UPC under
this Agreement for the prior calendar year, with appropriate components of the
information necessary for the preparation of such returns, all to be provided
pursuant to reasonable timetables and instructions from UPC.

(b) UPC shall provide Overnite Corporation with a copy of the prior year's
UPC Consolidated Form 1120, separate Form 1120 pro forma return for the Overnite
Consolidated Group, Unitary Income Tax returns, and any appropriate detail or
supporting schedules for any period in which such returns include items of the
Overnite Consolidated Group as soon as practicable after filing thereof.

2.3 Elections. The members of the UPC and Overnite Consolidated Groups -----

shall execute and file elections pursuant to section 338(h)(10) of the Code (and
corresponding state elections) with respect to Overnite Corporation's purchase
of Overnite Holding and Overnite Holding's deemed purchase of Overnite; and
shall execute and file any and all other consents, elections, or other similar
documents and shall maintain in effect previously filed elections, consents, or
other similar documents necessary or appropriate to effect the filing of the
consolidated Federal Income Tax and Unitary Income Tax returns for the Combined
Consolidated Group for all periods in a manner which lawfully Minimizes the
aggregate Federal Income Tax, Environmental

7

Tax, and Unitary Income Taxes for the Combined Consolidated Group.

ARTICLE III

TAX ALLOCATIONS

3.1 Consolidated Federal Income Tax; Environmental Tax. -----

(a) The Overnite Consolidated Group's share of consolidated Federal Income
Tax and Environmental Tax liabilities for the tax periods beginning on or after
January 1, 1991, shall be allocated in accordance with subsections (b) and (c)
hereof.

(b) The Overnite Consolidated Group's Federal Income Tax liability, or tax
benefit in the event of a loss, shall be determined jointly by UPC and Overnite
Corporation based upon separate Items of the Overnite Consolidated Group to the
extent such Items were included in the Combined Consolidated Group's tax returns
as filed or finally adjusted and resulted in either a marginal tax cost or
benefit to the Combined Consolidated Group. In general, the Federal Income Tax
cost or benefit to be allocated to the Overnite Consolidated Group shall be

equal to the difference between the Federal Income Tax actually payable by the Combined Consolidated Group for a period and the amount of Federal Income Tax which would have been payable by the Combined Consolidated Group for such period if the Overnite Consolidated Group Items for such period had not been included in the Combined Consolidated Group's tax returns for such period, provided that the allocation principles enumerated in Appendix I to this Agreement shall control to the extent such principles are inconsistent with the foregoing. Except as otherwise specifically provided in this Agreement, for all periods when UPC owns directly or indirectly 100% of the outstanding stock of Overnite Holding or

Overnite, the computation of the Overnite Consolidated Group's Federal Income Tax liability or tax benefit shall not reflect any limitations it would have suffered or benefits it would have realized if it had filed its return on a stand-alone basis, but rather shall reflect its allocation of Federal Income Tax costs or benefits actually realized, either as originally reported or adjusted upon audit, amended return, or ultimate settlement, or otherwise realized by the Combined Consolidated Group for any period.

(c) The Overnite Consolidated Group's Environmental Tax liability shall be determined jointly by UPC and Overnite Corporation and shall be equal to the amount of Environmental Tax which would be owed by the Overnite Consolidated Group on a stand-alone basis.

(d) Notwithstanding the foregoing, all items of income, gain, loss, or deduction attributable to UPC's sale of the stock of Overnite Holding to Overnite Corporation after the IPO pursuant to that certain Stock Purchase and Indemnification Agreement between the Parties (the "Purchase Agreement"), and the deemed sales of Overnite Holding's assets and Overnite's assets pursuant to elections under Section 338(h)(10) of the Code shall be allocated to the UPC Consolidated Group, except as set forth in the next following sentence. Any item of income or gain attributable to pre-IPO contingent liabilities of the Overnite Consolidated Group which become payable or are otherwise accrued at or after the IPO and result in additional amounts realized under Section 338 of the Code shall be allocated to the Overnite Consolidated Group except to the extent the UPC Consolidated Group receives the benefit of corresponding and offsetting deductions.

3.2 Unitary Income Taxes.

(a) The Overnite Consolidated Group's share of Unitary Income Tax liabilities for the tax periods beginning on or after January 1, 1991, shall be allocated in accordance with subsections (b) and (c) hereof.

(b) The total Unitary Income Tax liability due to a taxing jurisdiction where members of the Overnite Consolidated Group are included in a Unitary Group with members of the UPC Consolidated Group shall be determined jointly by UPC and Overnite Corporation and then allocated to the constituent Divisions in such Unitary Group in accordance with the allocation principles enumerated in Appendix II to this Agreement. Nexus both for purposes of the determination of the Unitary Income Tax Liability in a particular jurisdiction and for purposes of the allocation of such liability to constituent Divisions in the Unitary Group shall be determined jointly by UPC and Overnite Corporation. Should a particular taxing jurisdiction subsequently determine Nexus differently from a determination previously used, the Unitary Income Tax liability shall be governed by such taxing jurisdiction's sustained or agreed upon final determination, and any additional Unitary Income Tax liabilities arising therefrom shall be allocated among the constituent Divisions in the Unitary Group in accordance with the allocation principles enumerated in Appendix II to this Agreement.

(c) Notwithstanding the foregoing, all items of unitary income, gain, loss, or deduction attributable to UPC's sale of the stock of Overnite Holding to Overnite Corporation after the IPO pursuant to the Purchase Agreement, and the deemed sales of Overnite Holding's assets and Overnite's assets pursuant to elections under Section 338(h)(10) of the Code (or the corresponding provisions of state or local law) shall be allocated to the UPC Consolidated Group, except as set forth in the next following

sentence. Any item of income or gain attributable to pre-IPO contingent liabilities of the Overnite Consolidated Group which become payable or are otherwise accrued at or after the IPO and result in additional amounts realized under Section 338 of the Code (or the corresponding provisions of state or local law) shall be allocated to the Overnite Consolidated Group except to the extent the UPC Consolidated Group receives the benefit of corresponding and offsetting

deductions.

3.3 Miscellaneous Taxes. All liabilities for Miscellaneous Taxes shall

remain the sole responsibility of the particular entity which incurred or whose predecessor incurred the liability or whose activities (or predecessors' activities) resulted in the liability, provided, however, that the IPO and related transactions (including elections under Section 338(h)(10) of the Code or the corresponding provisions of state or local law) shall not be considered an activity of UPC for purposes of determining responsibility for Miscellaneous Taxes. Likewise, any additional Miscellaneous Taxes imposed, or refunds received, as a result of audits, claims, amended returns, or any other reason shall be the sole property or liability of the entity which incurred the liability (or its successor) or is entitled to the refund or claim by operation of law or under the terms of this Agreement.

ARTICLE IV

TAX PAYMENTS AND SETTLEMENTS

4.1 Estimated and Current Taxes.

(a) Overnite Corporation shall provide to UPC the separate tax data necessary to determine the Overnite Consolidated Group's share of estimated Federal Income Tax,

11

Environmental Tax, and Unitary Income Tax ("Estimated Tax Payment") on such schedule as is prescribed by UPC so that Estimated Tax Payments can be computed and allocated in a timely fashion. On or before the due date for each Estimated Tax Payment, UPC shall provide to Overnite Corporation a statement of the Overnite Consolidated Group's allocable share of the Estimated Tax Payment to be made. On or before such due date, Overnite Corporation shall pay to UPC the amount of the Estimated Tax Payment identified in such statement.

(b) Overnite Corporation shall provide to UPC the separate tax data necessary to determine the share of the prior-year consolidated Federal Income Tax, Environmental Tax, and Unitary Income Tax liability allocable to members of the Overnite Consolidated Group. Within 60 days of filing the tax returns, UPC shall provide to Overnite Corporation a final statement of the Overnite Consolidated Group's share of the actual prior-year consolidated Federal Income Tax, Environmental Tax, and Unitary Income Tax liability. If the amount of the Overnite Consolidated Group's prior-year tax liabilities exceeds the prior-year Estimated Tax Payments previously remitted by members of the Overnite Consolidated Group, Overnite Corporation shall pay to UPC the amount of such excess. If the amount of the Overnite Consolidated Group's prior-year tax liabilities is less than the prior-year Estimated Tax Payments previously remitted by members of the Overnite Consolidated Group, UPC shall pay to Overnite Corporation the amount of such difference. All such calculations shall be made in accordance with Article III of this Agreement.

4.2 Future Settlements. UPC shall give Overnite Corporation reasonable

advance notice when any tax payment in connection with audit assessments, refund

12

claims, or amended returns is due from, or payable to, Overnite Corporation under this Agreement. Overnite Corporation shall pay to UPC an amount equal to the tax liabilities attributable to including the Overnite Consolidated Group in the Combined Consolidated Group to the extent such tax liabilities were not reflected in payments previously made by the members of the Overnite Consolidated Group. UPC shall pay to Overnite Corporation an amount equal to the tax benefits attributable to including the Overnite Consolidated Group in the Combined Consolidated Group, to the extent that such tax benefits were not previously paid to (or reflected in payments by) members of the Overnite Consolidated Group. To the extent that all Items attributable to members of the Overnite Consolidated Group for a tax period are finally settled or resolved but a final settlement or resolution has not been reached with the taxing authority because Items not attributable to members of the Overnite Consolidated Group have not been settled or resolved, UPC shall pay Overnite Corporation its share of such tax benefits, or Overnite Corporation shall pay UPC the Overnite Consolidated Group's share of such tax liabilities, after the final settlement or resolution of all such Items attributable to members of the Overnite Consolidated Group. All such calculations shall be made in accordance with Article III of this Agreement.

4.3 Payments/Refunds. Payments under this Agreement shall be made not

later than 11:00 a.m. (New York City time) on the day when due in U.S. dollars by wire transfer of immediately available funds to the account designated for that purpose by UPC or Overnight Corporation. Unless a different time is specified for payment hereunder, such payments shall be due fifteen days after appropriate notice is given that such payment is due. Whenever such payments shall be stated to be due on a day other than a

13

day on which banks are not required or authorized to close in New York City (a "Business Day"), such payment shall be made on the next succeeding Business Day. If an amount due hereunder shall not have been paid when due, such amount shall bear interest from the date such payment is due, to but excluding the date of payment of such amount, at a rate per annum equal to ten percent (10%). Interest shall be calculated on the basis of a year of 365 or 366 days for the actual number of days elapsed and compounded quarterly.

4.4 Billing Disputes with Taxing Authorities. Where a taxing authority has

made or makes assessments, abatements, credits, refunds, or similar items or posts payments, assessments, abatements, credits, refunds, or similar items on or against one Party's tax account which are properly attributable hereunder to the other Party's activities, the Parties shall cooperate with each other and work together to resolve the billing discrepancies with the appropriate taxing authority. Where the billing discrepancies cannot be resolved with the appropriate taxing authority, the Parties shall make each other whole as if the taxing authority had correctly posted the accounts of the Parties.

ARTICLE V

AUDITS, AMENDED RETURNS, AND LITIGATION

5.1 Conduct of Audits; Amended Returns.

(a) UPC shall have responsibility and control with respect to the conduct of audit examinations, extending the statute of limitations and choice of forum in connection with

14

audit examinations, and the filing of administrative refund claims or amended returns for the Combined Consolidated Group and any member thereof (and for any passthrough entity in which a member of the Combined Consolidated Group has an interest) for consolidated Federal Income Tax, Environmental Tax, and Unitary Income Tax liabilities for all periods beginning before the IPO. UPC shall exercise such responsibility and control in a manner which lawfully Minimizes the tax liabilities of the Combined Consolidated Group. UPC shall not exercise such responsibility and control to jeopardize tax positions, elections, or other items of the Overnight Consolidated Group, provided this is consistent with lawfully Minimizing the tax liabilities of the Combined Consolidated Group.

(b) The Parties shall cause all members of the Combined Consolidated Group, and any passthrough entities in which a member has an interest, fully to cooperate with each other during the course of any audit. UPC shall keep Overnight Corporation advised of, and shall honor all reasonable requests by Overnight Corporation to be involved in, the preparation of such claims and amended returns and the audit process to the extent Overnight Consolidated Group Items or issues are involved.

(c) If Overnight Corporation shall determine that it is desirable for UPC, Overnight Corporation, or a member of the Overnight Consolidated Group to file a non-routine claim for refund or amended return with respect to any taxable period beginning before the IPO, Overnight Corporation shall prepare and submit such proposed claim to UPC, together with a reasoned legal analysis of the merits of the proposed claim and a statement setting forth when the statute of limitations on filing such claim will expire, in sufficient time for UPC to consider and act on such proposed claim.

15

(d) Overnight Corporation may request that UPC not contest, or discontinue the contest of, a consolidated Federal Income Tax, Environmental Tax, or Unitary Income Tax issue relating to an Item of the Overnight Consolidated Group or its members. UPC shall comply with such request only if it determines, in its sole and absolute discretion, that doing so would have no adverse effect upon the UPC Consolidated Group.

5.2 Protest; Litigation. If the consolidated Federal Income Tax,

Environmental Tax, or Unitary Income Tax liability of the Combined Consolidated Group (or any member thereof) or any other matter involving the Internal Revenue Service with respect to any taxable period beginning before the IPO becomes or has the potential to become the subject of litigation in any court or subject to protest or any other administrative proceeding (including but not limited to requests for rulings or technical advice memoranda), the decision to institute the litigation or proceeding, the choice of forum, and the overall conduct of the litigation or proceeding shall be the responsibility of, and shall be controlled by, UPC. Such responsibility and control shall be exercised in a manner which lawfully minimizes the tax liabilities of the Combined Consolidated Group. The Parties shall cause all members of the Combined Consolidated Group, and any passthrough entities in which a member has an interest, fully to cooperate with each other during the course of the litigation or proceeding. UPC shall keep Overnite Corporation advised of, and shall honor all reasonable requests by Overnite Corporation to be involved in, all litigation or proceedings to the extent that Overnite Consolidated Group Items or issues are involved.

5.3 Opinion Procedure.

(a) UPC shall hold Overnite Corporation harmless in the manner provided in

16

Section 5.3(e) of this Agreement if

(i) without Overnite Corporation's consent, UPC adjusts, compromises, or settles (or directs Overnite Corporation to adjust, compromise, or settle) a consolidated Federal Income Tax, Environmental Tax, or Unitary Income Tax issue relating to an Item of the Overnite Consolidated Group or its members;

(ii) UPC fails to file (or directs Overnite Corporation not to file) a claim for refund or amended return submitted to UPC pursuant to Section 5.1(d) of this Agreement; or

(iii) over Overnite Corporation's written objection UPC takes (or directs Overnite Corporation to take) a consolidated Federal Income Tax, Environmental Tax, or Unitary Income Tax return position relating to an Item of the Overnite Consolidated Group or its members,

provided (x) with respect to clause (i) above a legal opinion is obtained that the adjustment, compromise, or settlement does not reasonably reflect both the likelihood of prevailing if the issue were fully and fairly litigated to a final determination and the anticipated costs of resolving administrative disputes and litigation with the taxing authorities, or (y) with respect to clauses (ii) and (iii) above a legal opinion is obtained that Overnite Corporation's tax position on the issue is more likely than not to prevail and to Minimize Tax Liabilities, using the procedure (in the case of either (x) or (y) above) set forth in Section 5.3(b) of this Agreement. This Section 5.3 shall not apply to an adjustment, compromise, settlement, or return position which is preliminary to commencing a refund claim or litigation in which such issue will be contested. Article VIII of this Agreement shall not apply to any issue as to which a Party invokes this

17

opinion procedure.

(b) If the Parties cannot agree within a reasonable time whether a return position should be taken, or whether UPC should adjust, compromise, or settle an Overnite Consolidated Group Item or file a claim for refund or amended return, either Party can invoke the following opinion procedure as to such issue by giving notice to the other. Within thirty (30) days of either Party's notice, the Parties shall agree upon and simultaneously notify an outside law firm which has recognized expertise in the field of taxation. Within thirty (30) days of such notice to the law firm, the Parties shall supply to the law firm all written support and supplementary documents which each Party deems necessary to support its contention that the proposed adjustment, compromise, or settlement does (or does not) reasonably reflect the likelihood of prevailing or that its tax position on the issue under Section 5.3(a) (ii) or (iii) above is (or is not) more likely than not to prevail. Either Party may discuss the issues with the law firm prior to its decision, provided the other Party is given the opportunity to be present. Within sixty (60) days of such notice to the law firm,

(i) with respect to an adjustment, compromise, or settlement described in clause (i) of Section 5.3(a), the law firm shall deliver to both Parties either (x) the law firm's reasoned opinion that such adjustment, compromise, or settlement reasonably reflects both the likelihood of prevailing on the issue if the issue were fully and fairly litigated to a final determination and the anticipated costs of resolving administrative

disputes and litigation with the taxing authorities, or (y) if such adjustment, compromise, or settlement is not such a reflection, the law firm's reasoned opinion as to the likelihood (expressed as a percentage) of

prevailing on the issue if fully and fairly litigated to a final determination and the law firm's good faith estimate of the anticipated costs (expressed in dollars) of resolving administrative disputes and litigation with the taxing authorities; or

(ii) with respect to a claim for refund, amended return, or return position described in clauses (ii) or (iii) of Section 5.3(a), the law firm shall either (x) deliver its reasoned opinion to both Parties that, if the issue were fully and fairly litigated to a final determination, Overnite Corporation's tax position on the issue more likely than not would prevail, or (y) notify the Parties that the law firm cannot so opine. In the case of (x) above, the law firm shall also render its reasoned opinion as to the likelihood (expressed as a percentage) of prevailing on the issue if fully and fairly litigated to a final determination and the law firm's good faith estimate of the anticipated costs (expressed in dollars) of resolving administrative disputes and litigation with the taxing authorities. If in the opinion of the law firm an expedited decision is necessary or advisable to protect either Party's rights, the law firm shall accelerate the dates for submissions and decision so as to protect the rights of the Parties. If the Parties so agree, inside tax counsel may be utilized instead of an outside law firm without affecting the remainder of this opinion procedure.

(c) The Party whose position does not prevail under Section 5.3(b) shall pay the fees and costs of the outside law firm used for the opinion procedure, notwithstanding any contrary provision of this Agreement.

(d) The determination made by the law firm (or inside tax counsel, as the case may be) under Section 5.3(b) shall be conclusive and binding on the Parties and shall not

be subject to appeal, except in the case of manifest mathematical error.

(e) To the extent that the opinion procedure of this Section 5.3 is invoked as to an Item (including but not limited to a Timing Item) and Overnite Corporation prevails but Overnite Corporation's position with respect to the Item is not adopted or implemented by UPC, the following reclassifications and treatments shall occur for all purposes of this Agreement, including but not limited to allocating tax costs or benefits related to such Item between the Parties under Article III:

(i) Overnite Corporation shall not be allocated the amount of any tax cost attributable to failure to adopt or implement Overnite Corporation's position with respect to the Item; and

(ii) the benefit of the Turnaround of a Timing Item that is subject to the opinion procedure shall be reclassified and specially treated as a UPC Consolidated Group Item.

In the application of this Section 5.3(e), the principles contained in the definition of the term Actual Loss shall apply.

(f) At any time, the Parties may (by written agreement) waive any portion or all of this opinion procedure and reclassify or reallocate any Items as to which a dispute arises within the contemplation of Section 5.3(b).

5.4 Adjustments. UPC and Overnite Corporation shall settle payments or ----- reimbursements of the portion of consolidated Federal Income Tax, Environmental Tax, and Unitary Income Tax deficiencies or refunds relating to the Overnite Consolidated Group resulting from audits of or the filing of applications for refunds or amended returns for all periods calculated in accordance with Section 4.2 of this Agreement.

ARTICLE VI

COOPERATION ON RECORDS

6.1 Furnish Books and Records. The Parties shall furnish or cause to be -----

furnished to each other upon request, as promptly as practicable, such information (including access to books, work papers, and other records) and assistance as are reasonably necessary for the filing of any return, for the preparation for or conduct of any audit, and for the prosecution or defense of any claim, suit, or proceeding relating to any proposed tax adjustment. The Parties shall cooperate with each other in the conduct of any audit or other similar proceedings and each shall execute and deliver (or cause to be executed and delivered) such documents (including but not limited to powers of attorney, returns, elections, and consents) as are necessary to carry out the intent of this Agreement. Overnite Corporation shall indemnify UPC for any Actual Loss suffered by the UPC Consolidated Group due to any failure of Overnite Corporation to comply with requests by UPC for the execution or delivery of documents or for information held by Overnite Corporation. UPC shall indemnify Overnite Corporation for any Actual Loss suffered by Overnite Corporation due to any failure of UPC to comply with requests by Overnite Corporation for the execution or delivery of documents or for information held by UPC.

6.2 Notice of Audits. Each Party shall promptly give notice to the other

of any examination, audit, inquiry, litigation, or proposed or actual assessment by a federal, state, or local taxing authority covering any potential tax liability where one Party may have a right to demand payment for such tax from, or be indemnified by, the other Party.

6.3 Record Retention. The UPC and Overnite Consolidated Groups shall

21

comply with the record retention provisions of the Code, as interpreted by Treasury Regulations and relevant administrative rulings of the Internal Revenue Service. Neither the UPC nor the Overnite Consolidated Groups shall destroy, or permit the destruction of, any records that may relate to any tax liability or other payment of the Combined Consolidated Group without the other's written consent. If any such records are willfully or negligently destroyed or permitted to be destroyed after the date of this Agreement without such consent, the Party destroying or permitting the destruction of such records shall indemnify the other Party for any Actual Loss suffered by the other Party due to inability to produce the records.

6.4 Cost of Producing Records. Each Party shall bear all of its own costs

reasonably incurred in connection with producing any records for the other Party under this Agreement.

ARTICLE VII

INDEMNIFICATIONS

7.1 Federal Income, Environmental, and Unitary Income Taxes. Overnite

Corporation, Overnite Holding, and Overnite jointly and severally indemnify and hold the UPC Consolidated Group harmless from the share of consolidated Federal Income Tax, Environmental Tax, and Unitary Income Taxes allocable to the Overnite Consolidated Group for all periods, as determined under Article III hereof. UPC indemnifies and holds Overnite Corporation, Overnite Holding, and Overnite harmless from the share of consolidated Federal Income Tax, Environmental Tax, and Unitary Income Taxes

22

allocable to the UPC Consolidated Group for all periods, as determined under Article III hereof or under the provisions of the 1991 Agreement.

7.2 Miscellaneous Taxes. Overnite Corporation, Overnite Holding, and

Overnite jointly and severally indemnify and hold the UPC Consolidated Group harmless from the Miscellaneous Taxes of the Overnite Consolidated Group for all periods, as determined under Section 3.3 hereof. UPC indemnifies and holds Overnite Corporation, Overnite Holding, and Overnite harmless from the Miscellaneous Taxes of the UPC Consolidated Group for all periods, as determined under Section 3.3 hereof.

ARTICLE VIII

DISPUTES

8.1 Accounting Firm. If the Parties are unable to agree on the amount

which is allocable or due to one Party from the other under this Agreement, or on whether an action or failure to act has the effect of Minimizing taxes, then either Party may invoke this procedure by giving notice to the other. Upon receipt of such notice, the Parties shall select and notify a single public accounting firm to resolve the dispute. If the Parties cannot agree on a single firm within ten (10) days, they shall each select a nationally recognized public accounting firm, which may include the public accounting firm which regularly opines on either Party's financial statements ("Auditor"). Those two firms shall jointly select and notify, within ten (10) days, a third independent nationally recognized public accounting firm, which shall not be the Auditor of either Party, to resolve the dispute. This Article VIII shall not apply to any issue as to which a Party has invoked the

opinion procedure of Section 5.3 hereof.

8.2 Resolution of Dispute. The chosen public accounting firm (the

"Arbitrator") shall be provided with written arguments by each Party and all supporting documents which each Party deems necessary within thirty (30) days of selection of the Arbitrator. Each Party shall provide the other Party with copies of all written arguments, documents, and correspondence submitted to the Arbitrator. Either Party may discuss the issues with the Arbitrator provided the other Party is given the opportunity to be present. Within sixty (60) days of selection of the Arbitrator, the Arbitrator may request each Party to respond to the written arguments provided by the other Party. The Arbitrator may also set a date, time, and place for oral arguments. Within sixty (60) days of any oral arguments or the last written arguments, whichever is later, the arbitrator shall notify the Parties of its decision. If in the opinion of the Arbitrator an expedited decision is necessary to protect either Party's rights, the Arbitrator shall accelerate the dates for submissions, arguments, and decision so as to protect the rights of the Parties.

8.3 Binding Resolution. The determination made by the Arbitrator under

Section 8.2 hereof shall be conclusive and binding upon the Parties and shall not be subject to appeal, except in the case of manifest mathematical error.

8.4 Costs of Dispute Resolution. The Parties shall share equally in all

fees and costs of the Arbitrator.

ARTICLE IX

MISCELLANEOUS

9.1 Sharing of Information. Each Party shall provide the other Party with

all relevant tax accounting information and portions of returns, elections, amended returns, claims for refund, consents, and extensions of the statute of limitations which each files on behalf of the Combined Consolidated Group (or any members thereof) for any periods which are reasonably requested.

9.2 Confidentiality. The Parties agree that, except as otherwise expressly

agreed in writing, any information furnished to the other Party pursuant to this Agreement is confidential. Except to the extent required for the proper filing of returns or resolving a dispute, audit, or litigation, the Parties covenant not to disclose, and not to permit disclosure of, such information to persons other than their own auditors or tax advisors.

9.3 Successors. This Agreement is being entered into by the Parties on

behalf of themselves and each member of the UPC Consolidated Group and the Overnite Consolidated Group, respectively. This Agreement shall bind each member of the UPC Consolidated Group and the Overnite Consolidated Group, and shall continue to bind each such member whether or not it remains affiliated with UPC or Overnite Corporation, as the case may be, and shall be deemed to have been readopted and affirmed on behalf of any corporation which, subsequent to the date hereof, becomes a member of the UPC Consolidated Group or the Overnite Consolidated Group. UPC and Overnite Corporation shall, upon the written request of the other, cause any of their respective subsidiaries formally to ratify and execute this Agreement. This Agreement shall be binding upon and

inure to the benefit of any successor to the Parties (by merger, consolidation,

liquidation, acquisition of assets, or otherwise) to the same extent as if the successor had been an original party to this Agreement.

9.4 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without regard to the conflict-of-laws principles thereof.

9.5 Headings. The table of contents and headings in this Agreement are for convenience only and shall not be deemed for any purpose to constitute a part of or to affect the interpretation of this Agreement.

9.6 Notices. Except as otherwise specifically provided in this Agreement or agreed to in writing by UPC and Overnite Corporation, all notices, claims, requests, demands and other communications under this Agreement shall be in writing and shall be deemed to have been duly given either (i) when transmitted by telecopy or electronic mail, receipt of which is acknowledged by telecopy or electronic mail, provided a confirming copy is simultaneously mailed (registered or certified mail, postage prepaid, return receipt requested) or (ii) three days after being mailed (registered or certified mail, postage prepaid, return receipt requested), addressed as follows:

(a) If to UPC: Assistant Vice President-Taxes
Union Pacific Railroad Company
1416 Dodge Street
Omaha, NE 68179
Telecopier No: (402) 271-5972

(b) If to Overnite Corporation: Executive Director-Tax
Overnite Corporation
1000 Semmes Avenue

26

Richmond, VA 23224-2246
Telecopier No.: (804)-231-8500

or to such other person or address as the party to whom the communication is to be given may have most recently furnished by notice to the other party.

9.7 Services. Overnite Corporation shall reimburse UPC for all services rendered by UPC to Overnite Corporation in connection with this Agreement. For purposes of this Section 9.7, services shall include, but not be limited to, legal and accounting services and the services of consultants and expert witnesses.

Charges for services performed by a third party shall be equal to the final invoiced costs charged by such third party to UPC to perform those services. For all other services, UPC and Overnite Corporation shall negotiate in good faith the fees to be charged by UPC and shall include a reasonable allocation of direct and indirect costs (including but not limited to employee salaries, benefits, and other costs) incurred in connection therewith. Until such fees are negotiated, such fees shall be \$_____ per hour for attorneys' time and \$_____ per hour for non-attorneys' time (in each case, prorated for fractions of an hour) until the end of 1998 and shall thereafter be adjusted for increases in the Consumer Price Index.

UPC shall submit quarterly invoices to Overnite Corporation for the services provided by UPC to Overnite Corporation. Overnite Corporation shall pay such charges in accordance with the provisions of Section 4.3 hereof.

In addition to the foregoing services, UPC shall render to Overnite Corporation the additional services described in Appendix III of this Agreement during the periods specified therein ("Additional Services") that Overnite Corporation requests (orally or in

27

writing) that UPC provide to it and Overnite Corporation shall reimburse UPC for such Additional Services on the same basis as the foregoing services.

9.8 Severability. If any provision of this Agreement is held to be unenforceable for any reason, it shall be adjusted rather than voided, if possible, in order to achieve the intent of the Parties to the maximum extent practicable. In any event, all other provisions of this Agreement shall be deemed valid, binding, and enforceable to their full extent.

9.9 Effective Date; Termination. Except as specifically provided to the

contrary in this Agreement, Articles II and III of this Agreement shall apply to all taxable periods beginning on or after January 1, 1991, and Articles IV through IX of this Agreement shall apply to all taxable periods. Unless otherwise agreed in writing by the Parties, this Agreement shall remain in force and be binding so long as the statutory period for assessments or refunds under applicable law remains unexpired for any taxable period of UPC or Overnite Corporation, Overnite Holding, and Overnite during which the Overnite Consolidated Group was included in the Combined Consolidated Group or for any period as to which either Party may have a claim against the other under this Agreement.

9.10 Counterparts. This Agreement may be executed in any number of

counterparts, each of which when so executed shall be deemed an original but all of which shall together constitute but one and the same instrument.

9.11 Entire Agreement; Termination of Prior Agreements. This Agreement

constitutes the entire agreement between the Parties concerning the subject matter hereof and supersedes all prior agreements, written or oral, between or among any member of

the UPC Consolidated Group, on the one hand, and any member of the Overnite Consolidated Group, on the other hand, with respect to any taxes. Any such prior agreements are hereby terminated and canceled to the extent not incorporated herein, and any rights or obligations existing thereunder are hereby fully and finally settled without any payment by any party thereto. This Agreement may not be terminated or amended except by written agreement executed by the Parties.

IN WITNESS WHEREOF, each of the parties to this Agreement, intending to be legally bound, has caused this Agreement to be executed by its duly authorized officer as of the date first above written.

UNION PACIFIC CORPORATION

By: _____
Title: _____

OVERNITE CORPORATION

By: _____
Title: _____

OVERNITE HOLDING, INC.

By: _____
Title: _____

OVERNITE TRANSPORTATION COMPANY

By: _____
Title: _____

APPENDIX I

ALLOCATION OF FEDERAL INCOME TAX
LIABILITIES AND BENEFITS
ATTRIBUTABLE TO SPECIFIC TAX ITEMS

Pursuant to Section 3.1 of this Agreement, the Overnite Consolidated Group shall be allocated its pro rata contribution of Federal Income Tax cost or benefit (either as originally filed or as adjusted upon audit, amended return, or ultimate settlement, or otherwise), including interest and penalties, as a result of the Combined Consolidated Group's activities for the applicable periods. In general, the Federal Income Tax cost or benefit to be allocated to the Overnite Consolidated Group shall be equal to the difference between the Federal Income Tax actually payable by the Combined Consolidated Group for a period and the amount of Federal Income Tax which would have been payable by the Combined Consolidated Group for such period if the Overnite Consolidated Group's Items for such period had not been included in the Combined Consolidated Group's tax returns for such period, provided that the allocation principles enumerated below shall control, subject to Section 3.1(d), to the extent such principles are inconsistent with the foregoing:

a. Net Operating Losses (NOLs). To the extent that the Overnite

Consolidated Group incurs an NOL, it shall be allocated the Federal Income Tax benefit attributable to such loss when such benefit is realized (including carrybacks) by the Combined

I-1

Consolidated Group. If the Combined Consolidated Group does not fully utilize the NOLs of all members of the Combined Consolidated Group for any period, the Overnite Consolidated Group shall be allocated its pro rata share of the Combined Consolidated Group's NOL benefit determined by multiplying such benefit by a ratio the numerator of which is the NOL of the Overnite Consolidated Group for such period and the denominator of which is the sum of the numerator and the NOLs of any UPC Divisions which have an NOL for such period. The Overnite Consolidated Group shall be allocated any tax benefit attributable to NOL carryforwards when and to the extent the Combined Consolidated Group realizes such benefit in a subsequent period as determined (on a first-in, first-out basis) by applying the foregoing allocation principles in such subsequent period.

b. Capital Gains and Losses. To the extent that the Overnite Consolidated

Group realizes a net capital gain, the tax cost of such Item shall be determined and allocated to the Overnite Consolidated Group at the applicable favorable capital gain rate of tax, if any, for such Item for the period in question. To the extent that the Overnite Consolidated Group realizes a net capital loss, the Overnite Consolidated Group shall be allocated a tax benefit determined at the applicable favorable capital gain rate, if any, but only when and to the extent such net capital loss is fully utilized by the Combined Consolidated Group. To the extent that the Combined Consolidated Group does not fully utilize the net capital loss of the Combined Consolidated Group in any tax period, the net capital loss of the Overnite Consolidated Group (for purposes of determining the tax benefit) shall be limited to a pro rata share of the aggregate net capital gains of the UPC Divisions which have net capital gains for the period, based on a ratio the numerator of which is the net

I-2

capital loss of the Overnite Consolidated Group for the period and the denominator of which is the sum of the numerator and the net capital losses of the UPC Divisions which have net capital losses for the period. The balance shall be carried forward, and the Overnite Consolidated Group shall be allocated the tax benefit when and to the extent the Combined Consolidated Group realizes such benefit in a subsequent period as determined (on a first-in, first-out basis) by applying the foregoing allocation principles in such subsequent period.

c. Section 1231 Gains and Losses.

(1) To the extent that the Overnite Consolidated Group realizes a net section 1231 gain (within the meaning of section 1231 of the Code), the tax cost attributable to such Item shall be determined and allocated at the applicable favorable rate of tax, if any, for items of section 1231 gain income for the tax period in question. Where the Overnite Consolidated Group realizes a net section 1231 loss (within the meaning of section 1231 of the Code), but the Combined Consolidated Group for the tax year in question realizes a net section 1231 gain, the tax benefit attributable to the Overnite Consolidated Group's net section 1231 loss shall be determined and allocated at the applicable rate of tax for items of section 1231 gain income for such year. Where the Overnite Consolidated Group realizes a net section 1231 loss and the Combined Consolidated Group also realizes a net section 1231 loss for the tax year in question:

(i) The Overnite Consolidated Group's net section 1231 loss shall be multiplied by a ratio the numerator of which is the Combined Consolidated Group's net section 1231 loss and the denominator of which is the sum of the net section 1231 losses of the Overnite Consolidated Group and those UPC Divisions realizing net section 1231

I-3

losses.

(ii) The tax benefit attributable to the Overnite Consolidated Group's net section 1231 loss shall be determined and allocated in an amount equal to the sum of (x) the tax benefit of the product determined in clause (i) above, calculated at the applicable rate of tax for items of section 1231 loss for such year, and (y) the tax benefit of the difference between the Overnite Consolidated Group's net section 1231 loss and the product determined in clause (i) above, calculated at the applicable rate of tax for items of section 1231

gain for such year.

(2) Notwithstanding the foregoing, to the extent that the Combined Consolidated Group realizes a net section 1231 gain which is subject to the loss recapture rules of section 1231 (c) of the Code, the additional tax associated with the section 1231 loss recapture amount shall be borne by the members of the Combined Consolidated Group which generated such net section 1231 losses during the applicable look-back period. The net section 1231 losses which were generated during the applicable look-back period and are the subject of loss recapture in a post-1984 period shall be accounted for on a first-in, first-out basis for purposes of sourcing the applicable period or periods to which such loss recapture applies. To the extent that the loss recapture amount is sourced from a year during the look-back period in which more than one Division had net section 1231 losses, the Overnite Consolidated Group shall be allocated a pro-rata share of such loss recapture amount determined by multiplying the sourced loss recapture amount of the Combined Consolidated Group for the period in question by a ratio the numerator of which is the Overnite Consolidated Group's net section 1231 loss for the period and the denominator of which is the sum of the numerator and the net section 1231 losses of the

I-4

UPC Divisions having net section 1231 losses for such period.

d. Charitable Contribution Deductions. The Overnite Consolidated Group

shall be allocated a charitable contribution deduction under section 170 of the Code in an amount equal to the deduction realized by the Combined Consolidated Group multiplied by a ratio the numerator of which is the charitable contributions of the Overnite Consolidated Group and the denominator of which is the sum of the numerator and the charitable contributions of the UPC Consolidated Group for such period. To the extent that the Combined Consolidated Group is limited on the amount of its consolidated charitable contribution deduction in any period, the Overnite Consolidated Group shall be allocated any tax benefit attributable to the excess charitable contributions when and if the Combined Consolidated Group realizes such benefit in a subsequent period as determined (on a first-in, first-out basis) by applying the foregoing allocation principles in such subsequent period.

e. Dividends-Received Deduction. To the extent that the Overnite

Consolidated Group has received dividends qualifying for a dividends-received deduction under sections 243, 244, or 245 of the Code and the Combined Consolidated Group's dividends-received deduction is not limited, the Overnite Consolidated Group shall be allocated the full allowable deduction (as limited by subsection 246(c) or section 246A of the Code) based on the dividends it so receives. If the Combined Consolidated Group's dividends-received deduction is limited in any tax period pursuant to a provision of the Code other than subsection 246(c) or section 246A, the dividends received deduction allocated to the Overnite Consolidated Group shall be limited to an amount equal to the allowable dividends-received deduction of the Combined Consolidated Group multiplied by a ratio

I-5

the numerator of which is the sum of qualifying dividends received by the Overnite Consolidated Group and the denominator of which is the sum of the numerator and the qualifying dividends received by the UPC Consolidated Group.

f. Alternative Minimum Tax (AMT) and Minimum Tax Credit (AMT Credit).

(1) AMT. If the Combined Consolidated Group incurs an AMT liability under

section 55 of the Code, the Overnite Consolidated Group shall be allocated a pro rata share of the excess of AMT over the regular tax liability (the "AMT Increment") for the Combined Consolidated Group determined by multiplying the Combined Consolidated Group's AMT Increment by a ratio the numerator of which is the Overnite Consolidated Group's AMT Increment computed on a stand-alone basis and the denominator of which is the sum of such numerator and the AMT Increments of each UPC Division (using zero for any UPC Division which would have no AMT Increment) computed on a stand-alone basis.

(2) AMT Credit. To the extent that the Combined Consolidated Group utilizes

an AMT Credit (including an AMT Credit attributable to a Fuel Credit carryover) under section 53 of the Code against its regular tax liability for post-1987 periods, the applicable period to source such AMT Credit shall be determined on a first-in, first-out basis. The Overnite Consolidated Group shall be allocated a pro rata share of such AMT Credit utilized by the Combined Consolidated Group which is attributable to each sourcing period, determined by multiplying such AMT Credit by a ratio the numerator of which is the Overnite Consolidated Group's AMT Increment (as determined under subsection (1) above) for the applicable sourcing period and the denominator of which is the sum of such

under subsection (1) above, increased by any Fuel Credit carryover attributable to that UPC Division) for such applicable sourcing period. Notwithstanding the foregoing, the Overnite Consolidated Group shall not be allocated the benefit from any AMT Credits which are attributable to any period ending prior to January 1, 1998.

g. Credit for Producing Fuel from a Nonconventional Source (Fuel Credit).

To the extent that the Combined Consolidated Group utilizes a Fuel Credit under section 29 of the Code (other than AMT Credit which is attributable to a Fuel Credit carryover, which shall be allocated under paragraph f above), the UPC Consolidated Group shall be allocated all of such credit.

h. Investment Tax Credit (ITC) and Investment Tax Credit Recapture (ITC

Recapture).

(1) ITC. To the extent that the Overnite Consolidated Group has

generated ITC (under former section 38 of the Internal Revenue Code of 1954, as amended) on qualified property, and to the extent that the Combined Consolidated Group is not limited in its utilization of such ITC, whether attributable to the current period or by way of a carryback or carryforward, the Overnite Consolidated Group shall be allocated its full ITC based on its separate qualified property. If the Combined Consolidated Group does not fully utilize its ITC for any period, the Overnite Consolidated Group shall be allocated its pro rata share of the Combined Consolidated Group's ITC benefit for such period determined by multiplying such benefit by a ratio the numerator of which is the ITC generated by the Overnite Consolidated Group for the period and the denominator of which is the sum of the numerator and the ITC generated by all UPC Divisions for the period. The Overnite Consolidated Group shall be allocated any tax benefit attributable

to ITC carryovers when and if the Combined Consolidated Group realizes such benefit in a subsequent period as determined (on a first-in, first-out basis) by applying the foregoing allocation principles in such subsequent period.

(2) ITC Recapture. To the extent that qualified property with respect to

which the Overnite Consolidated Group has been allocated an ITC benefit is prematurely disposed of (other than in connection with a deemed sale under the Purchase Agreement pursuant to an election under Section 338(h)(10) of the Code) thereby triggering ITC Recapture under section 47 of the Code, such ITC Recapture shall be fully allocated to the Overnite Consolidated Group in the period in which such disposition occurs.

i. Credit for Increasing Research Activities (R&D Credit). To the extent

that the Overnite Consolidated Group has an increase in its qualified research expenses over its base period research expenses (the "Excess R&D Amount") as defined in section 41 of the Code, and to the extent that the Combined Consolidated Group utilizes an R&D Credit for such period, the Overnite Consolidated Group shall be allocated a pro rata share of the R&D Credit utilized by the Combined Consolidated Group, based on a ratio the numerator of which is the Overnite Consolidated Group's Excess R&D Amount computed on a stand-alone basis for the period and the denominator of which is the sum of the numerator and the Excess R&D Amounts of each UPC Division having an Excess R&D Amount computed on a stand-alone basis for the same period.

j. Targeted Jobs Credit. To the extent that the Combined Consolidated Group

utilizes a targeted jobs credit within the meaning of section 51 of the Code, the Overnite Consolidated Group shall be allocated a pro rata share of such credit determined by multiplying such credit by a ratio the numerator of which is the Overnite Consolidated

Group's allowable targeted jobs credit computed on a stand-alone basis and the denominator of which is the sum of the numerator and the allowable targeted jobs credits of each UPC Division computed on a stand-alone basis.

k. Credit for Federal Tax on Gasoline and Special Fuels. To the extent that

the Combined Consolidated Group utilizes a credit for federal tax on gasoline

and special fuels under section 34 of the Code, such credit shall be allocated to the Division which generated it.

1. Enhanced Oil Recovery Credit (EOR Credit). To the extent that the

Combined Consolidated Group generated EOR Credits (within the meaning of section 43 of the Code), whether attributable to the current period or by way of a carryback or carryforward, the UPC Consolidated Group shall be allocated all of such EOR Credit.

m. Foreign Tax Credits. The Overnite Consolidated Group shall be allocated

the benefit of any foreign tax credits (under section 27 of the Code) realized by the Combined Consolidated Group which are attributable to foreign taxes paid by members of the Overnite Consolidated Group. If the Combined Consolidated Group's utilization of foreign tax credits is limited in any tax period pursuant to a provision of the Code, the Overnite Consolidated Group shall be allocated a pro rata share of the foreign tax credit in an amount equal to the Combined Consolidated Group's utilized foreign tax credit multiplied by a ratio the numerator of which is the foreign tax credit of the Overnite Consolidated Group for such period and the denominator of which is the sum of the numerator and the foreign tax credits of each UPC Division for such period. The tax benefit of any unused foreign tax credit of the Overnite Consolidated Group shall be allocated when and if the Combined Consolidated Group realizes such benefit in a

I-9

subsequent period as determined (on a first-in, first-out basis) by applying the foregoing allocation principles in such subsequent period.

n. Interest on Tax Deficiencies and Refund Claims. To the extent that the

allocated tax liability of the Overnite Consolidated Group is increased, or its allocated benefit is reduced, for any period, interest expense at the applicable underpayment rates under section 6621 of the Code (or such higher interest rate as is chargeable by the relevant taxing authority) for the periods in question shall be allocated to the Overnite Consolidated Group. To the extent that the allocated tax liability of the Overnite Consolidated Group is reduced, or its allocated benefit is increased, for any period, interest income at the applicable overpayment rates under section 6621 of the Code (or such lower interest rate as is payable by the relevant taxing authority) for the periods in question shall be allocated to the Overnite Consolidated Group.

o. Penalties; Additions to Tax. Penalties and additions to tax assessed

against the Combined Consolidated Group arising from Items allocated to (or tax deficiencies, tax adjustments, or other matters related to) the Overnite Consolidated Group shall be directly allocated to the Overnite Consolidated Group. If penalties or additions to tax assessed against the Combined Consolidated Group arise from Items allocated to (or tax deficiencies, tax adjustments, or other matters related to) both the UPC Consolidated Group and the Overnite Consolidated Group, the Overnite Consolidated Group shall be allocated the amount of penalties or additions to tax which would have been assessed against the Overnite Consolidated Group on a stand-alone basis. Notwithstanding the foregoing, if the amount of penalties or additions to tax assessed is limited because the Overnite Consolidated Group is included in the Combined Consolidated Group, the

I-10

Overnite Consolidated Group shall be allocated a pro rata share of the penalties or additions to tax actually assessed determined by multiplying the amount of such penalties or additions to tax by a ratio, the numerator of which is the amount of penalties or additions to tax which would have been assessed against the Overnite Consolidated Group on a stand-alone basis and the denominator of which is the sum of the numerator and the amount of penalties or additions to tax which would have been assessed against UPC on a stand-alone basis. Interest on penalties and additions to tax shall be allocated to the party which is allocated the penalties or additions to tax to which such interest relates.

p. Unspecified Items. To the extent that an Item arises during a tax period

with respect to the Overnite Consolidated Group that is included in the Combined Consolidated Group's Federal Income Tax return but limited by reason of a certain Code provision, regulation, ruling, or case law, and the allocation provisions of this Appendix I do not specifically address the proration of such Item, then the Parties shall attempt to agree on an equitable proration formula within a reasonable period of notice of such issue. In the event no agreement is reached, UPC shall apply the following principles in resolving such dispute:

(i) The consolidated tax cost or benefit of an unspecified Item should be allocated in proportion to the relative contribution of such unspecified Item by the UPC Divisions and the Overnite Consolidated Group.

(ii) The amount of the allocation should be based on the actual consolidated tax cost or benefit associated with such Item, rather than any hypothetical costs or benefits

I-11

which would arise if both the UPC Consolidated Group and the Overnite Consolidated Group had filed separate returns on a stand-alone basis.

(iii) The proration formula selected to allocate the tax cost or benefit associated with such Item should be determined in a manner consistent with the allocation procedures adopted herein for that specified Item most similar to the unspecified Item in dispute. Failing resolution of the dispute on such basis, a proration formula should be adopted which results in an equitable allocation of the consolidated Item after taking into account the basis for the limitation associated with the particular Code provision, regulation, ruling, or case law dealing specifically with such unspecified Item.

I-12

APPENDIX II

ALLOCATION OF
UNITARY INCOME TAX
LIABILITIES AND BENEFITS

Pursuant to Section 3.2 of this Agreement, the Overnite Consolidated Group, or any member thereof, shall be allocated a pro rata share of any Unitary Income Tax cost or benefit, including interest and penalties (either as originally reported or as adjusted upon audit, amended return, or ultimate settlement, or otherwise), arising by reason of its activities' being included in a Unitary Income Tax return with activities of the UPC Consolidated Group or any member thereof. In order to ascertain the Overnite Consolidated Group's allocated tax cost or benefit of such Unitary Income Tax Return in a particular jurisdiction for a particular tax period, the following determinations and allocation principles shall apply, subject to Section 3.2(c):

Step 1. A hypothetical stand-alone Unitary Income Tax liability or benefit

before application of NOLs and before credits ("Stand-alone Liability or Benefit") for each Division in the Unitary Group shall be determined and allocated to each Division. Divisions reporting a loss shall receive a benefit. In the computation of each Division's Stand-alone Liability or Benefit, the principles set forth in Section 3.1 and Appendix I of this Agreement with respect to the computation and allocation of Federal Income Tax liability shall be applied to the extent not inconsistent with Step 2 below, and all limitations, modifications, allocation and apportionment methods, and elections utilized

II-1

in the Unitary Income Tax return as filed or adjusted shall govern the computation of Divisions' Stand-alone Liability or Benefit.

Step 2. The total of the Divisions' Stand-alone Liabilities (reduced by

Stand-alone Benefits) as calculated in Step 1 shall be subtracted from the total actual Unitary Income Tax liability before credits. The difference shall be allocated to increase or reduce the Stand-alone Liability or Stand-alone Benefit of each Division in an amount determined by multiplying such difference by a ratio the numerator of which is the absolute value of such Division's Stand-alone Liability or Benefit and the denominator of which is the sum of the absolute values of each Division's Stand-alone Liability or Benefit. Notwithstanding the foregoing, the portion of such difference which does not exceed any NOL of the Unitary Group for the period (and the benefit, when realized, of the NOL carryover or carryback associated with such portion) shall be allocated to those Divisions which have a Stand-alone Benefit in an amount determined by multiplying such portion by a ratio the numerator of which is such Division's Stand-alone Benefit and the denominator of which is the sum of each Division's Stand-alone Benefits. The benefit of any other NOL carryovers or Carrybacks shall be allocated when realized based upon the ratio described in the second sentence of this paragraph using Stand-alone Liabilities and Benefits attributable to the period in which such NOL was generated.

Step 3. Credits shall be allocated when realized to the Division which

generated the credits.

APPENDIX III

ADDITIONAL SERVICES

DESCRIPTION OF SERVICES -----	TIME PERIOD -----
Annual analysis of consolidated Federal Income Tax, Environmental Tax and Unitary Income Tax audit exposure as it relates to settlement of all tax periods beginning before the IPO.	Until expiration of this Agreement
Support with the "Corp Tax" system	Until all consolidated Federal Income Tax, Environmental Tax and Unitary Income Tax returns are filed for the short period ending on or before the IPO
Continuity and consultation on ERISA issues pending at the time of the IPO	Until 6 months after the IPO
Continuity and consultation on litigation in progress related to Massachusetts state income tax for the years 1988-93 and a dispute in progress related to Oklahoma IRP registration for the years 1993-94	Until 6 months after the IPO
Continuity and consultation on state income tax issues related to the corporate structure of Overnite Corporation	Until 6 months after the IPO
Transition support on property tax issues equivalent to 75% of one full-time position	Until 2 months after the IPO
Transition support on property tax issues equivalent to 25% of one full-time position	From 2 months until 4 months after the IPO

III-1

COMPUTER AND INFORMATION TECHNOLOGY AGREEMENT
MISCELLANEOUS SERVICES

THIS COMPUTER AND INFORMATION TECHNOLOGY AGREEMENT -MISCELLANEOUS SERVICES (the "Agreement") is made and entered into as of the ____ day of August, 1998 (the "Effective Date"), by and between UNION PACIFIC CORPORATION, a Utah corporation ("UPC"), and OVERNITE CORPORATION, a Virginia corporation ("Overnite").

WHEREAS, Overnite intends to issue and sell or cause to be issued and sold all of its outstanding common stock, through an initial public offering (the closing of which is hereafter referred to as the "Offering"); and

WHEREAS, immediately following the Offering, Overnite intends to purchase all of the issued and outstanding common stock of Overnite Holding, Inc., a Delaware corporation ("OHI"), from UPC (the "Acquisition"), with the result that Overnite will become a publicly-owned company and OHI will become a wholly-owned, direct subsidiary of Overnite; and

WHEREAS, Overnite Transportation Company, a Virginia corporation ("OTC"), is a wholly-owned, direct subsidiary of OHI and immediately following the Acquisition will become a wholly-owned, indirect subsidiary of Overnite; and

WHEREAS, UPC, through its Union Pacific Technologies Division ("UPT") and through its wholly-owned subsidiary, Union Pacific Railroad Company ("UPRR"), has provided and continues to

- 1 -

provide to its subsidiaries, including OTC, certain miscellaneous services, including the services described herein; and

WHEREAS, UPC and Overnite desire that UPC continue to provide such miscellaneous services following the Offering pursuant to the terms and conditions of this Agreement;

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained, the parties hereto agree as follows:

1. Miscellaneous Services. UPC, through UPT and UPRR, has provided and -----
currently provides certain miscellaneous services to OTC, including the

following (collectively the "Miscellaneous Services"):

A. Gateway Services. UPT has provided and currently provides OTC

with certain gateway services, consisting of value added network ("VAN") services that are used in connection with the sending and receiving of standard electronic data interchange ("EDI") documents and non-standard EDI documents, including storing and retrieving data from EDI mailboxes for direct connect customers of Overnite and its subsidiaries, sending and receiving data among other VANs, programming services when needed or when requested by Overnite or its subsidiaries, and support for communications equipment located in St. Louis, Missouri (the

- 2 -

"Gateway Services").

B. AutoFax Services. UPT has provided and currently provides OTC

with certain AutoFax services, through which UPT facilitates and supports OTC's sending and receiving of customer fax messages, by providing a certain server, located in St. Louis, Missouri, by providing a bank of fax modems located in St. Louis, Missouri, and by providing telephone line service for the transmission of fax messages to their final destinations (the "AutoFax Services").

C. Videoconferencing Equipment and Services. UPT has provided and

currently provides OTC with certain leased videoconferencing equipment, located at OTC's headquarters in Richmond, Virginia, which videoconferencing equipment can be used with conference rooms in St. Louis, Missouri, Omaha, Nebraska, and Dallas, Texas, along with certain videoconferencing services in connection with the videoconferencing equipment (the "Videoconferencing Equipment and Services").

D. Automated Voice Response Services. UPT has provided and

currently provides OTC with certain automated voice response services, through which UPT facilitates and supports OTC's operating components of V-link (the "AVR Services").

E. Lotus Notes Electronic Mail Environments. UPT has

- 3 -

provided and currently provides OTC with Lotus Notes electronic mail environments that OTC uses in its ongoing business operations. UPC agrees to cooperate with OTC to facilitate separation of OTC's Lotus Notes electronic mail environments so that the separation may be completed by December 31, 1998, and Overnite and its subsidiaries can continue their ongoing business operations and

electronic mail processes.

2. Continued Provision of Miscellaneous Services. UPC shall provide or

cause to be provided the Miscellaneous Services to Overnite and its subsidiaries pursuant to the terms and conditions set forth herein. UPC shall provide Miscellaneous Services of at least the same nature and quality as the similar services that it has provided to OTC during the year prior to the Effective Date of this Agreement, and shall perform the Miscellaneous Services with at least the same degree of care, skill, and prudence that it exercises for its own operations. In addition, UPC shall provide the Gateway Services in conformity with present commercial service levels.

3. Term. UPC shall provide the Miscellaneous Services from the Effective

Date through December 31, 1999. Notwithstanding the foregoing and with the exception of Videoconferencing Equipment and Services, Overnite shall have the

- 4 -

option to terminate this Agreement as to one or more of the particular Miscellaneous Services by providing UPC with sixty (60) days' written notice thereof. Overnite may terminate the Videoconferencing Equipment and Services at any time by providing UPC with written notice. If Overnite elects to terminate Videoconferencing Equipment and Services prior to the end of the current lease between UPC and Overnite for the Videoconferencing Equipment and Services, Overnite agrees to pay remaining outstanding lease payments on the Videoconferencing Equipment. Upon payment of such sums, all title to the Videoconferencing Equipment shall pass to Overnite. UPC agrees to assist Overnite with the transitioning of Miscellaneous Services at rates set forth in Section 4 of this Agreement. Overnite shall have the option to extend this Agreement and the provision of the Miscellaneous Services hereunder through December 31, 2000 by providing UPC with written notice of such intent on or before June 30, 1999. In the event that Overnite does not exercise its option to extend, then this Agreement shall terminate on December 31, 1999. In the event that Overnite does exercise its option to extend, then this Agreement shall terminate on December 31, 2000.

4. Fees. Rates for 1998 for the Miscellaneous Services shall be at

current rates. Rates thereafter shall be set

- 5 -

pursuant to the agreement of the parties.

5. Billing and Payment. Each month during the term of this Agreement and

in the first month after termination of this Agreement (or any extension thereof), UPC shall submit to Overnite an invoice containing the estimated

charges for the Miscellaneous Services for the then current month and containing a detailed statement, for the prior month, of all of the charges for Miscellaneous Services. Overnite shall remit payment in full for the estimated charges, reflecting any adjustments for prior months' charges, by wire transfer of immediately available funds to an account designated by UPC, on or prior to the later of: (a) five (5) business days after receipt of such invoices, or (b) the end of the then current month. Overnite shall notify UPC of any dispute as to an invoiced amount and the basis therefor. In the event of a dispute as to the invoiced amount, Overnite shall pay all undisputed amounts but shall be entitled to withhold amounts in dispute. In the event of such a dispute, the parties agree to provide each other with records and information relating to such dispute and, without limiting their rights and remedies, to negotiate in good faith to attempt to resolve such dispute.

Any late payment shall be subject to any costs of collection (including reasonable legal fees) and shall bear

- 6 -

interest at the rate of one percent (1%) per month or a fraction thereof until paid. UPC shall not commence suit on collection of late payment prior to providing seven (7) days notice of its intent to commence suit to Overnite.

6. Multi-Century Compliance. UPC represents that it is taking all

reasonable steps in an effort to make each item of hardware, software and firmware created, modified, upgraded, revised, developed, or delivered hereunder, or equipment and products containing such hardware, software or firmware, accurately process date data (including without limitation calculating, comparing and sequencing), within, from, into and between centuries (including without limitation the twentieth and twenty-first centuries), including leap year calculations. UPC does not, by this Section, warrant that each item of hardware, software and firmware created, modified, upgraded, revised, developed, or delivered hereunder, or equipment and products containing such hardware, software or firmware are Year 2000 compliant.

7. Confidentiality. For purposes hereof, "Confidential Information"

means any information, in any form or medium, which relates to any component of a party's business and which is not a matter of public record or generally known to the public,

- 7 -

including, without limitation, information relating to inventions; patent, trademark, and copyright applications; improvements; know-how; specifications; drawings; cost and pricing data; process flow diagrams; customer and supplier lists; bills; ideas; concepts; financial information; plans, practices, and procedures; agreements, documents, or instruments involving the party; and any information or materials deemed or designated as confidential or proprietary by

the party. Each party agrees that during and after the term of this Agreement (or any extension thereof), unless specifically authorized by the other party in a prior writing, it shall not, directly or indirectly, disclose the other party's Confidential Information to any person or entity, or use the other party's Confidential Information for its benefit. In the event that a party is requested or required to disclose the other party's Confidential Information in connection with any legal proceeding, interrogatory, subpoena, civil investigative demand, or similar process, that party will promptly notify the other party of the request or requirement so that the other party may seek an appropriate protective order. If, in the absence of a protective order, a party, on the advice of counsel, is compelled by any tribunal to disclose the other party's Confidential Information, that party shall use its best

- 8 -

efforts to obtain an order or other assurance that confidential treatment will be accorded to such Confidential Information required to be disclosed. Promptly upon request, or upon termination of this Agreement for any reason, each party shall return to the other party or destroy, as requested by the other party, any materials in its possession or control that contain, embody, or reflect the other party's Confidential Information.

8. Assignment. Neither party shall assign or transfer any of its rights

or obligations under this Agreement except with the prior written consent of the other party, which consent may be withheld by such other party in its sole discretion. This Agreement shall be binding upon and shall inure to the benefit of the parties and their successors and permitted assigns. Notwithstanding any other provision in this Agreement, UPC shall not be prohibited from selling or divesting itself of UPT in any manner prior to the expiration of this Agreement, provided that, in such event, this Agreement, and all rights and obligations hereunder be assigned to and assumed by UPT and its affiliates.

9. Liability and Indemnification. Except as provided specifically in the

Agreement, UPC shall have no liability under this Agreement for damage or loss of any type suffered by Overnite or its subsidiaries or any third party as a result of

- 9 -

the performance or non-performance of the services provided under this Agreement. Each party shall indemnify, defend and hold the other party harmless from and against all damages, losses and out-of-pocket expenses (including fees and disbursements of counsel) caused by or arising out of any willful breach or gross negligence by such indemnifying party in the performance or non-performance of any obligation or agreement contained herein or by the willful misconduct of such indemnifying party. In the event of a claim against UPC by a third party, Overnite shall indemnify, defend and hold UPC harmless from and against all damages, losses and out-of-pocket expenses (including fees and

disbursements of counsel) caused by or arising out the performance or non-performance of any obligation or agreement contained herein except where caused by the willful breach, negligence, or willful misconduct of UPC. Notwithstanding any other provision of this Agreement, UPC shall have no liability for the acts or omissions of any third party (other than a subsidiary of UPC) that provides services under this Agreement so long as UPC has not been grossly negligent in the selection of such third party. In the event Overnite believes UPC is not performing its obligations under this Agreement in accordance with the standards agreed upon by the parties, Overnite shall so

- 10 -

notify UPC. UPC agrees to cooperate with Overnite to address such performance issues and to bring UPC's performance into conformance with such standards.

10. Licenses and Permits. Overnite, at Overnite's sole expense, shall be

responsible for obtaining all necessary software licenses and/or permits required for the performance of Miscellaneous Services as a result of the Offering and Acquisition and OTC's and Overnite's corporate status. Failure by Overnite to obtain any necessary licenses and/or permits will not give rise to a cause of action under this Agreement against UPC (including contract, tort or warranty). UPC will cooperate in good faith to assist Overnite with securing all necessary licenses and/or permits.

11. Miscellaneous.

A. Notices. All notices and other communications hereunder shall be

in writing and shall be delivered in person, mailed, delivered by courier service, or sent by facsimile to the following:

- 11 -

(i) If to UPC:

Union Pacific Technologies
7930 Clayton Road
St. Louis, Missouri 63117-1368
Fax No. (314) 768-5886
ATTN: President and CEO

With a copy to:

Union Pacific Corporation
1717 Main Street, Suite 5900
Dallas, Texas 75201
Fax No.: (214) 743-5794

ATTN: Vice President and Controller

Union Pacific Railroad Company
1416 Dodge Street
Omaha, Nebraska 68179-0001
Fax No.: (402) 271-6444
ATTN: Senior Vice President,
Information Technologies

(ii) If to Overnite:

Overnite Corporation
1000 Semmes Avenue
Richmond, Virginia 23224-2246
Fax No.: (804) 231-8501
ATTN: Senior Vice President and Chief
Financial Officer

or to such other addresses as either party may designate in writing. All notices or communications given by personal delivery, mail, or courier service shall be effective upon receipt if received during the recipient's normal business hours. Notice given by facsimile shall be effective upon receipt if received during the recipient's normal business hours, or at the

- 12 -

beginning of the recipient's next business day if not received during the recipient's normal business hours.

B. Governing Law. This Agreement shall be governed by and construed

in accordance with the laws of the State of

- 13 -

Missouri, without giving effect to the principles of conflicts of laws thereof.

C. Counterparts. This Agreement may be executed in any number of

counterparts, each of which when so executed shall be deemed an original but all of which shall together constitute but one and the same instrument.

D. Headings. The headings and captions set forth in this Agreement

are for convenience of reference only and shall not affect the construction or interpretation hereof.

E. Severability. The provisions of this Agreement are severable.

Should any provision of this Agreement be void, voidable, or unenforceable, this shall not affect or invalidate any other provisions of this Agreement, which shall continue to govern the relative rights and obligations of the parties as though such void, voidable, or unenforceable provision were not a part hereof.

F. Entire Agreement; Modification; Waiver. This Agreement

constitutes the entire agreement of the parties with respect to the subject matter hereof and supersedes all prior agreements and understandings, whether oral or written, with respect thereto. This Agreement may not be modified or amended except by a subsequent written instrument duly executed by both

- 14 -

parties. No failure or delay by any party in exercising any right, power, or privilege hereunder shall operate as a waiver thereof. Nor shall any single or partial exercise thereof preclude any other or further exercise of any other right, power, or privilege.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the Effective Date first written above.

UNION PACIFIC CORPORATION

By: _____

Print Name: _____

Title: _____

OVERNITE CORPORATION

By: _____

Print Name: _____

Title: _____

- 15 -

COMPUTER AND INFORMATION TECHNOLOGY AGREEMENT
DEVELOPMENT STAFF SERVICES

THIS COMPUTER AND INFORMATION TECHNOLOGY AGREEMENT -DEVELOPMENT STAFF SERVICES (the "Agreement") is made and entered into as of the ____ day of August, 1998 (the "Effective Date"), by and between UNION PACIFIC CORPORATION, a Utah corporation ("UPC"), and OVERNITE CORPORATION, a Virginia corporation ("Overnite").

WHEREAS, Overnite intends to issue and sell or cause to be issued and sold all of its outstanding common stock, through an initial public offering (the closing of which is hereafter referred to as the "Offering"); and

WHEREAS, immediately following the Offering, Overnite intends to

purchase all of the issued and outstanding common stock of Overnite Holding, Inc., a Delaware corporation ("OHI"), from UPC (the "Acquisition"), with the result that Overnite will become a publicly-owned company and OHI will become a wholly-owned, direct subsidiary of Overnite; and

WHEREAS, Overnite Transportation Company, a Virginia corporation ("OTC"), is a wholly-owned, direct subsidiary of OHI and immediately following the Acquisition will become a wholly-owned, indirect subsidiary of Overnite; and

WHEREAS, UPC, through its Union Pacific Technologies Division ("UPT") and through its wholly-owned subsidiary, Union

- 16 -

Pacific Railroad Company ("UPRR") has provided and continues to provide to its subsidiaries, including OTC, certain computer and information technology services, including the services described herein; and

WHEREAS, UPC and Overnite desire that UPC continue to provide such computer and information technology services following the Offering and Acquisition pursuant to the terms and conditions of this Agreement;

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained, the parties hereto agree as follows:

1. Development Staff Services. UPC, through UPT and UPRR, has provided

and currently provides certain employees and contractors who work under the direction of OTC and provide the following computer and information technology services: support of key development projects, on-going maintenance support for mainframe and distributed applications, Year 2000 compliance, and other ad hoc projects and services as requested by Overnite and its subsidiaries (the "Development Staff Services"). UPC shall continue to provide the Development Staff Services pursuant to the terms and conditions set forth herein. UPC will provide Development Staff Services of at least the same nature and quality as the similar services that it has provided to OTC

- 17 -

during the year prior to the Effective Date of this Agreement, and shall perform the Development Staff Services with at least the same degree of care, skill, and prudence that it exercises for its own operations.

2. Development Staff Personnel. UPC shall provide the Development Staff

Services using the full-time and part-time Development Staff Personnel identified and agreed to by UPC and Overnite, as long as the identified Development Staff Personnel are employees or contractors in good standing with UPC and the employees or contractors elect to remain at their current positions assigned to OTC or Overnite. UPC will encourage Development Staff Personnel to

remain at such present positions and will work with Overnite to establish incentive programs to retain the employees, provided, however, that no Development Staff Personnel shall be prohibited from accepting any position posted on UPC's, UPRR's or UPT's Job Bulletin Board. Notwithstanding the foregoing, Overnite shall have discretion to reduce the number of Development Staff Personnel as set forth in Section 5.

3. Supervision/Reporting. Development Staff Personnel shall report to -----

and work under the supervision of Overnite, which shall have discretion to direct and manage all aspects of the Development Staff Personnel's work, including but not limited to

- 18 -

requiring technical training for Development Staff Personnel. Expense for technical training of the Development Staff Personnel required by Overnite shall be borne by Overnite. Development Staff Personnel shall devote all of their work efforts to the Development Staff Services, and shall not participate in work or projects other than the Development Staff Services, except with the prior written consent of Overnite.

4. Replacement of Development Staff Personnel. In the event that -----

Development Staff Personnel terminate or indicate an intention to terminate their employee or contractor status as Development Staff Personnel during the term of this Agreement (or any extension thereof), UPC shall promptly notify Overnite in writing. After receipt of such written notice, Overnite will advise UPC as to whether or not Overnite will request UPC to provide replacement Development Staff Personnel. In the event that Overnite requests UPC to provide replacement Development Staff Personnel, UPC shall identify qualified candidates to Overnite, and shall provide Overnite with an opportunity to review and interview, and approve or disapprove, such candidates.

5. Reduction of Development Staff Personnel. At any time during the term -----

of this Agreement (or any extension thereof), Overnite shall have discretion to reduce the number of Development Staff Personnel by providing UPC with sixty (60)

- 19 -

days' written notice or, in the event of a contractor, notice consistent with UPC's contract with contractor, of the numbers and/or identities of Development Staff Personnel to be removed from provision of the Development Staff Services. Overnite's election to reduce the number of Development Staff Personnel shall result in a permanent reduction in the number of Development Staff Personnel to be provided by UPC under this Agreement. Requests by Overnite for additional personnel for Development Staff Services shall be made pursuant to the Miscellaneous Services Agreement between UPC and Overnite.

6. Overnite's Right to Offer Employment. During and after the term of

this Agreement (or any extension thereof), Overnite shall have the right and
ability to offer employment and/or independent contractor positions to
Development Staff Personnel of its choosing.

7. Initial Term; Optional Extension. UPC shall provide the Development

Staff Services from the Effective Date through December 31, 1999. Overnite
shall have the option to extend this Agreement and the provision of the
Development Staff Services hereunder through December 31, 2000 by providing UPC
with written notice of such intent on or before June 30, 1999. In the event

- 20 -

that Overnite does not exercise its option to extend, then this Agreement shall
terminate on December 31, 1999. In the event that Overnite does exercise its
option to extend, then this Agreement shall terminate on December 31, 2000.

8. Compensation. Overnite shall compensate UPC for provision of the

Development Staff Services as follows:

A. Salaries and Fees of Development Staff Personnel. Overnite shall

reimburse UPC for Development Staff Personnel, subject to the following
conditions: Overnite's reimbursement to UPC shall be for actual salaries, fees,
overhead and benefits, in the same manner as presently billed by UPC to Overnite
for these services. Through the term of this Agreement (and any extension
thereof), salaries, fees, overhead and benefits of Development Staff Personnel
shall reflect UPC's actual costs for providing Development Staff Services to
Overnite.

B. Merit Increases. Prior to the award of any merit increases,

Overnite and UPC shall cooperate in good faith to determine which Development
Staff Personnel shall receive such merit increases.

C. Travel and Other Travel-Related Business Expenses. Overnite shall

reimburse UPC for the actual, necessary, and reasonable travel and other travel-
related business expenses incurred by Development Staff Personnel in performing
the Development Staff Services, provided that UPC provides Overnite with a
statement reflecting such expenses in the same manner as

- 21 -

presently provided to Overnite under current billing practices. Overnite shall
notify UPC of any dispute as to an invoiced travel expense or other travel-

related business expense and the basis therefor. In the event of a dispute, the parties agree to provide each other with records and information relating to such dispute and, without limiting their rights and remedies, to negotiate in good faith to attempt to resolve such dispute.

D. Rates for Ad Hoc Technical Services. To the extent that Overnite

requests UPC to provide and UPC has resources to provide ad hoc technical services, including AVR, systems programming and Lotus Notes support services, Overnite shall reimburse UPC for the actual salaries, fees, overhead and benefits for such ad hoc technical services, in the same manner as presently billed by UPC to Overnite for these services. Through the term of this Agreement (and any extension thereof), salaries, fees, overhead and benefits related to providing ad hoc technical services shall reflect UPC's actual costs for providing such ad hoc technical services to Overnite.

9. Billing and Payment. Each month during the term of this Agreement and

in the first month after termination of this Agreement (or any extension thereof), UPC shall submit to Overnite an invoice containing the estimated charges for the Development Staff Services for the then current month and

containing a detailed statement, for the prior month, of all of the charges for Development Staff Services as set forth in Section 8. Overnite shall remit payment in full for the estimated charges, reflecting any adjustments for prior months' charges, by wire transfer of immediately available funds to an account designated by UPC, on or prior to the later of: (a) five (5) business days after receipt of such invoices, or (b) the end of the then current month. Overnite shall notify UPC of any dispute as to an invoiced amount and the basis therefor. In the event of a dispute as to the invoiced amount, Overnite shall pay all undisputed amounts but shall be entitled to withhold amounts in dispute. In the event of such a dispute, the parties agree to provide each other with records and information relating to such dispute and, without limiting their rights and remedies, to negotiate in good faith to attempt to resolve such dispute.

Any late payment shall be subject to any costs of collection (including reasonable legal fees) and shall bear interest at the rate of one percent (1%) per month or a fraction thereof until paid. UPC shall not commence suit on collection of late payment prior to providing seven (7) days notice of its intent to commence suit to Overnite.

10. The EDGE Technology and the Work Product. Any products, solutions,

inventions, improvements, concepts, ideas,

or work product made, conceived, or developed by Development Staff Personnel in

connection with the Development Staff Services during the term of this Agreement, including any proprietary rights therein (the "Work Product"), are and shall be the sole and exclusive property of Overnite. In addition, UPC agrees that Overnite shall own the existing products set forth in the Technical Specification Schedule A (the "EDGE Technology"). UPC agrees to and hereby does assign to Overnite all right, title, and interest in and to the Work Product and the EDGE Technology, including but not limited to all copyrights, patents, trademarks, goodwill, trade secrets, and other proprietary rights therein. If necessary, UPC shall assist Overnite in securing, documenting, memorializing, recording, registering, perfecting, and protecting its rights in the Work Product the EDGE Technology, including but not limited to executing documents, assisting with applications for patents, copyright registrations, and trademark registrations, and assisting in enforcement activities. Notwithstanding the foregoing, UPC is granted a non-exclusive license for the unlimited use of the Work Product or the EDGE Technology for commercial and internal business operations, including use by a third party, upon the earlier of either the expiration of the original term of this Agreement or December 31, 1999. In the event UPC uses the Work Product or EDGE Technology

- 24 -

for commercial operations, UPC shall not identify the Work Product or the EDGE Technology using EDGE marks, or any other marks used by Overnite, or any confusingly similar name or mark. Overnite shall not assert any claim or action against UPC arising because of UPC's use of the Work Product or the EDGE Technology under a name other than the EDGE Technology or any other name used by Overnite to identify the Work Product and the EDGE Technology, as set forth in this section.

11. Confidentiality. For purposes hereof, "Confidential Information"

means any information, in any form or medium, which relates to any component of a party's business and which is not a matter of public record or generally known to the public, including, without limitation, information relating to inventions; patent, trademark, and copyright applications; improvements; know-how; specifications; drawings; cost and pricing data; process flow diagrams; customer and supplier lists; bills; ideas; concepts; financial information; plans, practices, and procedures; agreements, documents, or instruments involving the party; and any information or materials deemed or designated as confidential or proprietary by the party. Each party agrees that during and after the term of this Agreement (or any extension thereof), unless specifically authorized by the other party in a prior writing, it shall not, directly or indirectly,

- 25 -

disclose the other party's Confidential Information to any person or entity, or use the other party's Confidential Information for its benefit. In the event that a party is requested or required to disclose the other party's Confidential Information in connection with any legal proceeding, interrogatory, subpoena,

civil investigative demand, or similar process, that party will promptly notify the other party of the request or requirement so that the other party may seek an appropriate protective order. If, in the absence of a protective order, a party, on the advice of counsel, is compelled by any tribunal, to disclose the other party's Confidential Information, that party shall use its best efforts to obtain an order or other assurance that confidential treatment will be accorded to such Confidential Information required to be disclosed. Promptly upon request, or upon termination of this Agreement for any reason, each party shall return to the other party or destroy, as requested by the other party, any materials in its possession or control that contain, embody, or reflect the other party's Confidential Information.

12. Liability and Indemnification. Except as provided specifically in the

Agreement, UPC shall have no liability under this Agreement for damage or loss of any type suffered by Overnite or its subsidiaries or any third party as a result of the performance or non-performance of the services provided under

- 26 -

this Agreement. Each party shall indemnify, defend and hold the other party harmless from and against all damages, losses and out-of-pocket expenses (including fees and disbursements of counsel) caused by or arising out of any willful breach or gross negligence by such indemnifying party in the performance or non-performance of any obligation or agreement contained herein or by the willful misconduct of such indemnifying party. In the event of a claim against UPC by a third party, Overnite shall indemnify, defend and hold UPC harmless from and against all damages, losses and out-of-pocket expenses (including fees and disbursements of counsel) caused by or arising out the performance or non-performance of any obligation or agreement contained herein except where caused by the willful breach, negligence, or willful misconduct of UPC. Notwithstanding any other provision of this Agreement, UPC shall have no liability for the acts or omissions of any third party (other than a subsidiary of UPC) that provides services under this Agreement so long as UPC has not been grossly negligent in the selection of such third party. In the event Overnite believes UPC is not performing its obligations under this Agreement in accordance with the standards agreed upon by the parties, Overnite shall so notify UPC. UPC agrees to cooperate with Overnite to address performance issues and to bring UPC's performance into

- 27 -

conformance with such standards.

14. Assignment. Neither party shall assign or transfer any of its rights

or obligations under this Agreement except with the prior written consent of the other party, which consent may be withheld by such other party in its sole discretion. This Agreement shall be binding upon and shall inure to the benefit of the parties and their successors and permitted assigns. Notwithstanding any

other provision in this Agreement, UPC shall not be prohibited from selling or divesting itself of UPT prior to the expiration of this Agreement, provided that, in such event, this Agreement, and all rights and obligations hereunder be assigned to and assumed by UPT and its affiliates.

15. Licenses and Permits. To the extent applicable, Overnite, at

Overnite's sole expense, shall be responsible for obtaining all necessary software licenses and/or permits required for the performance of Development Staff Services as a result of the Offering and Acquisition and OTC's and Overnite's corporate status. UPC shall notify Overnite in the event that any third party vendors request additional licenses or fees associated with UPC providing Development Staff Services to Overnite. Failure by Overnite to obtain any necessary licenses and/or permits will not give rise to a cause of action under this Agreement against UPC (including contract, tort or warranty). UPC will cooperate in

- 28 -

good faith to assist Overnite with securing all necessary licenses and/or permits.

16. Miscellaneous.

A. Notices. All notices and other communications hereunder shall be

in writing and shall be delivered in person, mailed, delivered by courier service, or sent by facsimile to the following:

(i) If to UPC:

Union Pacific Technologies
7930 Clayton Road
St. Louis, Missouri 63117-1368
Fax No. (314) 768-5886
ATTN: Executive Vice President

With a copy to:

Union Pacific Corporation
1717 Main Street, Suite 5900
Dallas, Texas 75201
Fax No.: (214) 743-5794
ATTN: Vice President and Controller

- 29 -

(ii) If to Overnite:

Overnite Corporation
1000 Semmes Avenue
Richmond, Virginia 23224-2246
Fax No.: (804) 231-8501
ATTN: Senior Vice President and Chief
Financial Officer

or to such other addresses as either party may designate in writing. All notices or communications given by personal delivery, mail, or courier service shall be effective upon receipt if received during the recipient's normal business hours. Notice given by facsimile shall be effective upon receipt if received during the recipient's normal business hours, or at the beginning of the recipient's next business day if not received during the recipient's normal business hours.

B. Governing Law. This Agreement shall be governed by and construed

in accordance with the laws of the State of Missouri, without giving effect to the principles of conflicts of laws thereof.

C. Counterparts. This Agreement may be executed in any number of

counterparts, each of which when so executed shall be deemed an original but all of which shall together constitute but one and the same instrument.

D. Headings. The headings and captions set forth in this Agreement

are for convenience of reference only and shall

- 30 -

not affect the construction or interpretation hereof.

E. Severability. The provisions of this Agreement are severable.

Should any provision of this Agreement be void, voidable, or unenforceable, this shall not affect or invalidate any other provisions of this Agreement, which shall continue to govern the relative rights and obligations of the parties as though such void, voidable, or unenforceable provision were not a part hereof.

F. Entire Agreement; Modification; Waiver. This Agreement

constitutes the entire agreement of the parties with respect to the subject matter hereof and supersedes all prior agreements and understandings, whether oral or written, with respect thereto. This Agreement may not be modified or amended except by a subsequent written instrument duly executed by both parties.

No failure or delay by any party in exercising any right, power, or privilege hereunder shall operate as a waiver thereof. Nor shall any single or partial exercise thereof preclude any other or further exercise of any other right, power, or privilege.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the Effective Date first written above.

UNION PACIFIC CORPORATION

- 31 -

By: _____
Print Name: _____
Title: _____

OVERNITE CORPORATION

By: _____
Print Name: _____
Title: _____

- 32 -

COMPUTER AND INFORMATION TECHNOLOGY AGREEMENT
RESOURCE SHARING SERVICES

THIS COMPUTER AND INFORMATION TECHNOLOGY AGREEMENT -RESOURCE SHARING SERVICES (the "Agreement") is made and entered into as of the ____ day of August, 1998 (the "Effective Date"), by and between UNION PACIFIC CORPORATION, a Utah corporation ("UPC"), and OVERNITE CORPORATION, a Virginia corporation ("Overnite").

WHEREAS, Overnite intends to issue and sell or cause to be issued and sold all of its outstanding common stock, through an initial public offering (the closing of which is hereafter referred to as the "Offering"); and

WHEREAS, immediately following the Offering, Overnite intends to purchase all of the issued and outstanding common stock of Overnite Holding, Inc., a Delaware corporation ("OHI"), from UPC (the "Acquisition"), with the result that Overnite will become a publicly-owned company and OHI will become a wholly-owned, direct subsidiary of Overnite; and

WHEREAS, Overnite Transportation Company, a Virginia corporation ("OTC"), is a wholly-owned, direct subsidiary of OHI and immediately following the Acquisition will become a wholly-owned, indirect subsidiary of Overnite; and

WHEREAS, UPC, itself and through its Union Pacific Technologies Division ("UPT") and through its wholly-owned

subsidiary, Union Pacific Railroad Company ("UPRR"), has provided and continues to provide to its subsidiaries, including OTC, certain resource sharing services, including the services described herein; and

WHEREAS, UPC and Overnite desire that UPC continue to provide such resource sharing services following the Offering and Acquisition pursuant to the terms and conditions of this Agreement;

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained, the parties hereto agree as follows:

1. Resource Sharing Services. UPC, through UPT and UPRR, has provided

and currently provides to OTC certain resource sharing services in connection with a certain research and development project (the "Research and Development Project"), and in connection with certain human resources systems applications and accounting systems applications currently in St. Louis, Missouri, (the "Human Resources Systems Applications" and "Accounting Systems Applications"), including but not limited to on-line support, telephone support, and troubleshooting (collectively the "Resource Sharing Services").

2. Continued Provision of Resource Sharing Services. UPC shall provide

or cause to be provided the Resource Sharing

Services to Overnite and its subsidiaries pursuant to the terms and conditions set forth herein. UPC shall provide Resource Sharing Services of at least the same nature and quality as the similar services that it has provided to OTC during the year prior to the Effective Date of this Agreement, and shall provide and perform the Resource Sharing Services with at least the same degree of care, skill, and prudence that it exercises for its own operations.

3. Human Resources Systems Applications and Accounting Systems

Applications: Services; Transfer; Transition Services. UPC shall provide the

Resource Sharing Services in connection with the Human Resources Systems Applications and Accounting Systems Applications from the Effective Date through December 31, 1998. Included in such services, UPC shall provide sufficient professional staff, knowledgeable and experienced in the Human Resources Systems Applications and Accounting Systems Applications, to provide online support and telephone support to Overnite for at least the hours of 9:00 a.m. to 5:00 p.m. Eastern Standard (or Daylight Savings) Time, and to promptly provide additional support if necessary or if requested by Overnite, through December 31, 1998. As part of the Resource Sharing Services, UPC shall take all reasonable steps to

Applications and Accounting Systems Applications are fully Year 2000 compliant, in accordance with Section 7. In connection with the transfer of the Human Resources Systems Applications and Accounting Systems Applications, UPC shall continue to provide the Resource Sharing Services (the "Transition Services") to Overnite as requested by Overnite, through December 31, 1998. On or before September 1, 1998, UPC and Overnite or its subsidiaries shall discuss in good faith whether UPC will continue to provide Transition Services to Overnite after December 31, 1998, and the terms and conditions of such services. In the event the Transition Services are not continued after December 31, 1998, UPC shall cooperate with Overnite to facilitate the assignment and transfer of Human Resources Systems Applications and Accounting Systems Applications, together with the licenses therefor and any source code, documentation, and other materials related thereto, to Overnite. Overnite is granted a non-exclusive license to use any products, solutions, inventions, improvements, concepts, ideas, or work product made, conceived, or developed by UPC in connection with the Resource Sharing Services strictly as a part of, and in conjunction with, Overnite's internal business operations and for no other purpose, including use by a third party.

4. Research and Development Project. UPC has funded and

continues to fund a Research and Development Project, in which Overnite or its subsidiaries are participating, relating to line haul optimization. UPC shall continue to fund, participate in, and allow Overnite or its subsidiaries to participate in the Research and Development Project through the duration of the budgeted amount for the Research and Development Project, to be agreed upon between Overnite and UPC. Overnite, and its subsidiaries, are granted a non-exclusive license to use any products, solutions, inventions, improvements, concepts, ideas, or work product made, conceived, or developed by UPC in connection with the Resource Sharing Services, to the extent that UPC is able and has the right to grant a non-exclusive license, strictly as a part of, and in conjunction with, Overnite's and its subsidiaries internal business operations and for no other purpose, including use by a third party.

5. Licenses and Permits. To the extent applicable, Overnite, at

Overnite's sole expense, shall be responsible for obtaining all necessary software licenses and/or permits required for performance of Resource Sharing Services as a result of the Offering and Acquisition and OTC's and Overnite's corporate status. UPC shall notify Overnite in the event that any third party vendors request additional licenses or fees associated with UPC providing Resource Sharing Services to Overnite. Failure by

Overnite to obtain any necessary licenses and/or permits will not give rise to a cause of action under this Agreement against UPC (including contract, tort or warranty). UPC will cooperate in good faith to assist Overnite with securing all necessary licenses and/or permits.

6. Fees. UPC shall charge no fees related to the Resource Sharing

Services through December 31, 1998. Fees for any services provided hereunder subsequent to December 31, 1998 will be subject to negotiation between the parties. On or before September 1, 1998, UPC and Overnite or its subsidiaries will discuss in good faith whether to continue all or part of any of the services described in this Agreement.

7. Multi-Century Compliance. UPC represents that it is taking all

reasonable steps through December 31, 1998, in an effort to make each item of hardware, software and firmware created, modified, upgraded, revised, developed, or delivered hereunder, or equipment and products containing such hardware, software or firmware, accurately process date data (including without limitation calculating, comparing and sequencing), within, from, into and between centuries (including without limitation the twentieth and twenty-first centuries), including leap year calculations. UPC does not, by this Section, warrant that any item of hardware, software or firmware created,

modified, upgraded, revised, developed, or delivered hereunder, or equipment and products containing such hardware, software or firmware are Year 2000 compliant.

8. Confidentiality. For purposes hereof, "Confidential Information"

means any information, in any form or medium, which relates to any component of a party's business and which is not a matter of public record or generally known to the public, including, without limitation, information relating to inventions; patent, trademark, and copyright applications; improvements; know-how; specifications; drawings; cost and pricing data; process flow diagrams; customer and supplier lists; bills; ideas; concepts; financial information; plans, practices, and procedures; agreements, documents, or instruments involving the party; and any information or materials deemed or designated as confidential or proprietary by the party. Each party agrees that during and after the term of this Agreement, unless specifically authorized by the other party in a prior writing, it shall not, directly or indirectly, disclose the other party's Confidential Information to any person or entity, or use the other party's Confidential Information for its benefit. In the event that a party is requested or required to disclose the other party's Confidential Information in connection with any legal proceeding, interrogatory, subpoena, civil investigative demand,

or similar process, that party will promptly notify the other party of the request or requirement so that the other party may seek an appropriate protective order. If, in the absence of a protective order, a party, on the advice of counsel, is compelled by any tribunal to disclose the other party's Confidential Information, that party shall use its best efforts to obtain an order or other assurance that confidential treatment will be accorded to such Confidential Information required to be disclosed. Promptly upon request, or upon termination of this Agreement for any reason, each party shall return to the other party or destroy, as requested by the other party, any materials in its possession or control that contain, embody, or reflect the other party's Confidential Information.

9. Assignment. Neither party shall assign or transfer any of its rights

or obligations under this Agreement except with the prior written consent of the other party, which consent may be withheld by such other party in its sole discretion. This Agreement shall be binding upon and shall inure to the benefit of the parties and their successors and permitted assigns. Notwithstanding any other provision in this Agreement, UPC shall not be prohibited from selling or divesting itself of UPT in any manner prior to the expiration of the Agreement, provided that, in such event, this Agreement, and all rights and obligations

hereunder, be assigned to and assumed by UPT and its affiliates.

10. Liability and Indemnification. Except as provided specifically in the

Agreement, UPC shall have no liability under this Agreement for damage or loss of any type suffered by Overnite or its subsidiaries or any third party as a result of the performance or non-performance of the services provided under this Agreement. Each party shall indemnify, defend and hold the other party harmless from and against all damages, losses and out-of-pocket expenses (including fees and disbursements of counsel) caused by or arising out of any willful breach or gross negligence by such indemnifying party in the performance or non-performance of any obligation or agreement contained herein or by the willful misconduct of such indemnifying party. In the event of a claim against UPC by a third party, Overnite shall indemnify, defend and hold UPC harmless from and against all damages, losses and out-of-pocket expenses (including fees and disbursements of counsel) caused by or arising out the performance or non-performance of any obligation or agreement contained herein except where caused by the willful breach, negligence, or willful misconduct of UPC. Notwithstanding any other provision of this Agreement, UPC shall have no liability for the acts or omissions of any third party (other than a subsidiary of UPC) that provides services under this Agreement so

long as UPC has not been grossly negligent in the selection of such third party. In the event Overnite believes UPC is not performing its obligations under this Agreement in accordance with the standards agreed upon by the parties, Overnite shall so notify UPC. UPC agrees to cooperate with Overnite to address such performance issues and to bring UPC's performance into conformance with such standards.

11. Miscellaneous.

A. Notices. All notices and other communications hereunder shall be

in writing and shall be delivered in person,

- 42 -

mailed, delivered by courier service, or sent by facsimile to the following:

(I) If to UPC:

Union Pacific Technologies
7930 Clayton Road
St. Louis, Missouri 63117-1368
Fax No. (314) 768-5886
ATTN: Executive Vice President

With a copy to:

Union Pacific Corporation
1717 Main Street, Suite 5900
Dallas, Texas 75201
Fax No.: (214) 743-5794
ATTN: Vice President and Controller

(ii) If to Overnite:

Overnite Corporation
1000 Semmes Avenue
Richmond, Virginia 23224-2246
Fax No.: (804) 231-8501
ATTN: Senior Vice President and Chief
Financial Officer

or to such other addresses as either party may designate in writing. All notices or communications given by personal delivery, mail, or courier service shall be effective upon receipt if received during the recipient's normal business hours. Notice given by facsimile shall be effective upon receipt if

received during the recipient's normal business hours, or at the beginning of the recipient's next business day if not received during the recipient's normal business hours.

B. Governing Law. This Agreement shall be governed by and construed

in accordance with the laws of the State of Missouri, without giving effect to the principles of conflicts of laws thereof.

C. Counterparts. This Agreement may be executed in any number of

counterparts, each of which when so executed shall be deemed an original but all of which shall together constitute but one and the same instrument.

D. Headings. The headings and captions set forth in this Agreement

are for convenience of reference only and shall not affect the construction or interpretation hereof.

E. Severability. The provisions of this Agreement are severable.

Should any provision of this Agreement be void, voidable, or unenforceable, this shall not affect or invalidate any other provisions of this Agreement, which shall continue to govern the relative rights and obligations of the parties as though such void, voidable, or unenforceable provision were not a part hereof.

F. Entire Agreement; Modification; Waiver. This Agreement

constitutes the entire agreement of the parties with respect to the subject matter hereof and supersedes all prior agreements and understandings, whether oral or written, with respect thereto. This Agreement may not be modified or amended

except by a subsequent written instrument duly executed by both parties. No failure or delay by any party in exercising any right, power, or privilege hereunder shall operate as a waiver thereof. Nor shall any single or partial exercise thereof preclude any other or further exercise of any other right, power, or privilege.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the Effective Date first written above.

UNION PACIFIC CORPORATION

By: _____
Print Name: _____
Title: _____

OVERNITE CORPORATION

By: _____

Print Name: _____

Title: _____

- 45 -

COMPUTER AND INFORMATION TECHNOLOGY AGREEMENT
DATA CENTER SERVICES

THIS COMPUTER AND INFORMATION TECHNOLOGY AGREEMENT -DATA CENTER SERVICES (the "Agreement") is made and entered into as of the ____ day of August, 1998 (the "Effective Date"), by and between UNION PACIFIC CORPORATION, a Utah corporation ("UPC"), and OVERNITE CORPORATION, a Virginia corporation ("Overnite").

WHEREAS, Overnite intends to issue and sell or cause to be issued and sold all of its outstanding common stock, through an initial public offering (the closing of which is hereafter referred to as the "Offering"); and

WHEREAS, immediately following the Offering, Overnite intends to purchase all of the issued and outstanding common stock of Overnite Holding, Inc., a Delaware corporation ("OHI"), from UPC (the "Acquisition"), with the result that Overnite will become a publicly-owned company and OHI will become a wholly-owned, direct subsidiary of Overnite; and

WHEREAS, Overnite Transportation Company, a Virginia corporation ("OTC"), is a wholly-owned, direct subsidiary of OHI and immediately following the Acquisition will become a wholly-owned, indirect subsidiary of Overnite; and

WHEREAS, UPC, through its Union Pacific Technologies Division ("UPT") and through its wholly-owned subsidiary, Union Pacific Railroad Company ("UPRR"), has provided and continues to

- 46 -

provide to its subsidiaries, including OTC, certain data center services, including the services described herein; and

WHEREAS, UPC and Overnite desire that UPC continue to provide such data center services following the Offering and Acquisition pursuant to the terms and conditions of this Agreement;

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained, the parties hereto agree as follows:

1. Data Center Services. UPC, through UPT and UPRR, has provided and

currently provides to OTC certain data center processing services in support of certain of OTC's business applications, which services are provided from UPRR's St. Louis, Missouri data center, with disaster recovery provided in UPRR's Omaha, Nebraska processing center, including the following services (collectively the "Data Center Services"):

A. Computer Systems Operations. Usage and non-usage based services

for the current mainframe central processing unit ("CPU") and any successors, applications services, decision support services and associated support services, including but not limited to Direct Access Storage Devices ("DASD"), print, tape mounts, and overhead.

B. Mainframe Disaster Recovery Services. Services to

- 47 -

provide data redundancy and recovery of key business applications in the event of a disaster.

2. Continued Provision of Data Center Services. UPC shall provide or

cause to be provided the Data Center Services to Overnite and its subsidiaries pursuant to the terms and conditions set forth herein. UPC shall provide Data Center Services of at least the same quality as the similar services that it has provided to OTC during the year prior to the Effective Date of this Agreement, and shall provide and perform the Data Center Services with at least the same degree of care, skill, and prudence that it exercises for its own operations. The availability of the systems used in provision of the Data Center Services, UPC's response times related to provision of the Data Center Services, and UPC's disaster recovery services related to the Data Center Services shall meet or exceed the standards to be agreed to between UPC and Overnite.

3. The EDGE Technology and the Work Product. Intellectual property

rights in the EDGE Technology and the Work Product, as those terms are defined in the Development Staff Services Agreement, are set forth in the Development Staff Services Agreement dated the date hereof between the parties hereto (the "Development Services Agreement"). UPC shall maintain the EDGE Technology and the Work Product for a period of six (6) months

- 48 -

after the term of this Agreement, or until it receives notice from Overnite to send the EDGE Technology and the Work Product to Overnite or to otherwise dispose of the EDGE Technology and the Work Product, whichever time period is shorter. At such time UPC shall comply with Overnite's and/or OTC's instructions

relating thereto, subject to UPC's rights therein granted in Section 10 of the Development Staff Services Agreement.

4. Upgrades Related to Data Center Services. UPC agrees to cooperate in

good faith with Overnite to plan and evaluate upgrades related to the Data Center Services described herein.

5. Initial Term; Optional Extension. UPC shall provide the Data Center

Services from the Effective Date through December 31, 1999. Overnite shall have the option to extend this Agreement and the provision of the Data Center Services hereunder, or portions thereof, through December 31, 2000 by providing UPC with written notice of such intent on or before June 30, 1999. In the event that Overnite does not exercise its option to extend, then this Agreement shall terminate on December 31, 1999. In the event that Overnite does exercise its option to extend, then this Agreement shall terminate on December 31, 2000. Notwithstanding the foregoing, Overnite shall have the option to assume the Mainframe Disaster Recovery Services at the end of the 1998 calendar year by so notifying UPC on or before September 1,

- 49 -

1998.

6. Liability and Indemnification. Except as provided specifically in

this Agreement, UPC shall have no liability under this Agreement for damage or loss of any type suffered by Overnite or its subsidiaries or any third party as a result of the performance or non-performance of the services provided under this Agreement. Each party shall indemnify, defend and hold the other party harmless from and against all damages, losses and out-of-pocket expenses (including fees and disbursements of counsel) caused by or arising out of any willful breach or gross negligence by such indemnifying party in the performance or non-performance of any obligation or agreement contained herein or by the willful misconduct of such indemnifying party. In the event of a claim against UPC by a third party, Overnite shall indemnify, defend and hold UPC harmless from and against all damages, losses and out-of-pocket expenses (including fees and disbursements of counsel) caused by or arising out the performance or non-performance of any obligation or agreement contained herein except where caused by the willful breach, negligence, or willful misconduct of UPC. Notwithstanding any other provision of this Agreement, UPC shall have no liability for the acts or omissions of any third party (other than a subsidiary of UPC) that provides services under this Agreement so

- 50 -

long as UPC has not been grossly negligent in the selection of such third party. In the event Overnite believes UPC is not performing its obligations under this Agreement in accordance with the standards agreed upon by the parties, Overnite

shall so notify UPC. UPC agrees to cooperate with Overnite to address performance issues and to bring UPC's performance into conformance with such standards.

7. Fees. Overnite shall pay UPC for provision of the Data Center

Services as follows:

A. Usage Based Services. Rates for 1998 for usage based services

shall be at current rates. Rates thereafter shall be set pursuant to the agreement of the parties.

B. Non-Usage Based Services. Rates for 1998 for non-usage based

services shall be at current rates. Rates thereafter shall be set pursuant to the agreement of the parties.

8. Licenses and Permits. Overnite, at Overnite's sole expense, shall be

responsible for obtaining all necessary software licenses and/or permits required for performance of Data Center Services as a result of the Offering and Acquisition and OTC's and Overnite's corporate status. UPC shall notify Overnite in the event that any third party vendors request additional licenses or fees associated with UPC providing Data Center Services to Overnite. Failure by Overnite to obtain any

- 51 -

necessary licenses and/or permits will not give rise to a cause of action under this Agreement against UPC (including contract, tort or warranty). UPC will cooperate in good faith to assist Overnite with securing all necessary licenses and/or permits.

- 52 -

9. Billing and Payment. Each month during the term of this Agreement and

in the first month after termination of this Agreement (or any extension thereof), UPC shall submit to Overnite an invoice containing the charges for the Data Center Services for the then current month, consisting of both estimated and actual charges, and containing a detailed statement, for the prior month, of all of the charges for Data Center Services. Overnite shall remit payment in full for the estimated charges, reflecting any adjustments for prior months' charges, by wire transfer of immediately available funds to an account designated by UPC, on or prior to the later of: (a) five (5) business days after receipt of such invoices, or (b) the end of the then current month. Overnite shall notify UPC of any dispute as to an invoiced amount and the basis therefor. In the event of a dispute as to the invoiced amount, Overnite shall pay all undisputed amounts but shall be entitled to withhold amounts in dispute. In the event of such a dispute, the parties agree to provide each other with records and information relating to such dispute and, without limiting their rights and

remedies, to negotiate in good faith to attempt to resolve such dispute.

Any late payment shall be subject to any costs of collection (including reasonable legal fees) and shall bear interest at the rate of one percent (1%) per month or a fraction

- 53 -

thereof until paid. UPC shall not commence suit on collection of late payment prior to providing seven (7) days notice of its intent to commence suit to Overnite.

10. Multi-Century Compliance. UPC represents that it is taking all

reasonable steps in an effort to make each item of hardware, software and firmware created, modified, upgraded, revised, developed, or delivered hereunder, or equipment and products containing such hardware, software or firmware, accurately process date data (including without limitation calculating, comparing and sequencing), within, from, into and between centuries (including without limitation the twentieth and twenty-first centuries), including leap year calculations. UPC does not, by this Section, warrant that each item of hardware, software and firmware created, modified, upgraded, revised, developed, or delivered hereunder, or equipment and products containing such hardware, software or firmware are Year 2000 compliant.

11. Confidentiality. For purposes hereof, "Confidential Information"

means any information, in any form or medium, which relates to any component of a party's business and which is not a matter of public record or generally known to the public, including, without limitation information relating to inventions; patent, trademark, and copyright applications; improvements;

- 54 -

know-how; specifications; drawings; cost and pricing data; process flow diagrams; customer and supplier lists; bills; ideas; concepts; financial information; plans, practices, and procedures; agreements, documents, or instruments involving the party; and any information or materials deemed or designated as confidential or proprietary by the party. Each party agrees that during and after the term of this Agreement (or any extension thereof), unless specifically authorized by the other party in a prior writing, it shall not, directly or indirectly, disclose the other party's Confidential Information to any person or entity, or use the other party's Confidential Information for its benefit. In the event that a party is requested or required to disclose the other party's Confidential Information in connection with any legal proceeding, interrogatory, subpoena, civil investigative demand, or similar process, that party will promptly notify the other party of the request or requirement so that the other party may seek an appropriate protective order. If, in the absence of a protective order, a party, on the advice of counsel, is compelled by any tribunal to disclose the other party's Confidential Information, that party

shall use its best efforts to obtain an order or other assurance that confidential treatment will be accorded to such Confidential Information required to be disclosed. Promptly upon request, or upon

- 55 -

termination of this Agreement for any reason, each party shall return to the other party or destroy, as requested by the other party, any materials in its possession or control that contain, embody, or reflect the other party's Confidential Information.

12. Assignment. Neither party shall assign or transfer any of its rights

or obligations under this Agreement except with obtaining the prior written consent of the other party, which consent may be withheld by such other party in its sole discretion. This Agreement shall be binding upon and shall inure to the benefit of the parties and their successors and permitted assigns. Notwithstanding any other provision in this Agreement, UPC shall not be prohibited from selling or divesting itself of UPT prior to the expiration of this Agreement, provided that, in such event, this Agreement, and all rights and obligations hereunder be assigned to and assumed by UPT and its affiliates.

13. Miscellaneous.

A. Notices. All notices and other communications hereunder shall be

in writing and shall be delivered in person, mailed, delivered by courier service, or sent by facsimile to the following:

(i) If to UPC:

Union Pacific Technologies
7930 Clayton Road
St. Louis, Missouri 63117-1368

- 56 -

Fax No. (314) 768-5886
ATTN: President and CEO

With a copy to:

Union Pacific Corporation
1717 Main Street, Suite 5900
Dallas, Texas 75201
Fax No.: (214) 743-5794
ATTN: Vice President and Controller

Union Pacific Railroad Company
1416 Dodge Street
Omaha, Nebraska 68179-0001
Fax No.: (402) 271-6444
ATTN: Senior Vice President,
Information Technology

(ii) If to Overnite:

Overnite Corporation
1000 Semmes Avenue
Richmond, Virginia 23224-2246
Fax No.: (804) 231-8501
ATTN: Senior Vice President and Chief
Financial Officer

or to such other addresses as either party may designate in writing. All notices or communications given by personal delivery, mail, or courier service shall be effective upon receipt if received during the recipient's normal business hours. Notice given by facsimile shall be effective upon receipt if received during the recipient's normal business hours, or at the beginning of the recipient's next business day if not received during the recipient's normal business hours.

B. Governing Law. This Agreement shall be governed

- 57 -

by and construed in accordance with the laws of the State of Missouri, without giving effect to the principles of conflicts of laws thereof.

C. Counterparts. This Agreement may be executed in any number of

counterparts, each of which when so executed shall be deemed an original but all of which shall together constitute but one and the same instrument.

D. Headings. The headings and captions set forth in this Agreement

are for convenience of reference only and shall not affect the construction or interpretation hereof.

E. Severability. The provisions of this Agreement are severable.

Should any provision of this Agreement be void, voidable, or unenforceable, this shall not affect or invalidate any other provisions of this Agreement, which shall continue to govern the relative rights and obligations of the parties as though such void, voidable, or unenforceable provision were not a part hereof.

F. Entire Agreement; Modification; Waiver. This Agreement

constitutes the entire agreement of the parties with respect to the subject matter hereof and supersedes all prior agreements and understandings, whether oral or written, with respect thereto. This Agreement may not be modified or amended except by a subsequent written instrument duly executed by both

- 58 -

parties. No failure or delay by any party in exercising any right, power, or privilege hereunder shall operate as a waiver thereof. Nor shall any single or partial exercise thereof preclude any other or further exercise of any other right, power, or privilege.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the Effective Date first written above.

UNION PACIFIC CORPORATION

By: _____
Print Name: _____
Title: _____

OVERNITE CORPORATION

By: _____
Print Name: _____
Title: _____

- 59 -

COMPUTER AND INFORMATION TECHNOLOGY AGREEMENT
TELECOMMUNICATION SERVICES

THIS COMPUTER AND INFORMATION TECHNOLOGY AGREEMENT -TELECOMMUNICATION SERVICES (the "Agreement") is made and entered into as of the ____ day of August, 1998 (the "Effective Date"), by and between UNION PACIFIC CORPORATION, a Utah corporation ("UPC"), and OVERNITE CORPORATION, a Virginia corporation ("Overnite").

WHEREAS, Overnite intends to issue and sell or cause to be issued and sold all of its outstanding common stock, through an initial public offering (the closing of which is hereafter referred to as the "Offering"); and

WHEREAS, immediately following the Offering, Overnite intends to purchase all of the issued and outstanding common stock of Overnite Holding, Inc., a Delaware corporation ("OHI"), from UPC (the "Acquisition"), with the result that Overnite will become a publicly-owned company and OHI will become a wholly-owned, direct subsidiary of Overnite; and

WHEREAS, Overnite Transportation Company, a Virginia corporation ("OTC"), is a wholly-owned, direct subsidiary of OHI and immediately following the Acquisition will become a wholly-owned, indirect subsidiary of Overnite; and

WHEREAS, UPC has provided and continues to provide to its subsidiaries, including OTC, certain telecommunication services, including the services described herein; and

WHEREAS, UPC and Overnite desire that UPC continue to provide such telecommunication services following the Offering and Acquisition pursuant to the terms and conditions of this Agreement;

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained, the parties hereto agree as follows:

1. Telecommunication Services. UPC has provided and currently

provides through service agreements and contracts with major telecommunication providers certain voice and data communication services to OTC, including, but not limited to, inbound and outbound long distance services, calling card services, inbound 800 service, frame relay and other data networking services (collectively the "Telecommunication Services").

2. Continued Provision of Telecommunication Services. UPC shall

provide or cause to be provided the Telecommunication Services to Overnite and its subsidiaries pursuant to the terms and conditions set forth herein for the term specified in Section 3. UPC shall provide or cause to be provided the Telecommunication Services, and shall meet all terms and conditions of its current agreements with major telecommunication providers, to maintain service levels of at least the same nature and quality as the similar services that it has provided or

caused to be provided to OTC during the year prior to the Effective Date of this Agreement, and UPC shall provide and perform or cause to be provided and performed the Telecommunication Services with at least the same degree of care, skill, and prudence that it exercises for its own operations. Overnite's volume obligations and other specific commitments shall be as agreed to by the parties.

3. Term. Overnite and its subsidiaries will continue to purchase all

Telecommunication Services used by Overnite exclusively from and through UPC from the Effective Date through December 31, 2000. The Telecommunication Services will be provided through UPC in accordance with the applicable agreement or agreements, and any subsequent amendments thereto, between UPC and the major telecommunication services provider; provided, however, that any such proposed amendments which may affect the rights, obligations, or benefits of

Overnite, including but not limited to costs, services, and duration of services, must be disclosed in advance to Overnite and can be implemented only if agreed to in advance by Overnite.

4. Fees. Overnite will pay fees associated with the

Telecommunication Services directly to the major telecommunication services provider in accordance with the rate set forth in the applicable agreement or agreements between UPC and the major telecommunication provider.

3

5. Billing and Payment. UPC and Overnite agree to transfer all

billing and order-related services related to the provision of Telecommunication Services to Overnite no later than November 30, 1998. Subsequent to such transfer, Overnite will deal directly with major telecommunication service providers on all matters regarding service orders, billing, and payment of charges related to Telecommunication Services. Prior to such transfer, each month and in the first month after such transfer, UPC shall submit to Overnite an invoice or invoices detailing, for the prior month, the fees for the Telecommunication Services. Overnite shall remit payment in full for such invoices, by wire transfer of immediately available funds to an account designated by UPC, on or prior to the later of: (a) five (5) business days after receipt of such invoices, or (b) the end of the then current month. Overnite shall notify UPC of any dispute as to an invoiced amount and the basis therefor. In the event of a dispute as to the invoiced amount, Overnite shall pay all undisputed amounts but shall be entitled to withhold amounts in dispute. In the event of such a dispute, the parties agree to provide each other with records and information relating to such dispute and, without limiting their rights and remedies, to negotiate in good faith to attempt to resolve such dispute.

Any late payment shall be subject to any costs of collection (including reasonable legal fees) and shall bear interest at the

4

rate of one percent (1%) per month or a fraction thereof until paid. UPC shall not commence suit in collection of late payment prior to providing seven (7) days notice of its intent to commence suit to Overnite.

6. Liability and Indemnification Provision. Except as provided

specifically in the Agreement, UPC shall have no liability under this Agreement for damage or loss of any type suffered by Overnite or its subsidiaries or any third party as a result of the performance or non-performance of the services provided under this Agreement. Each party shall indemnify, defend and hold the other party harmless from and against all damages, losses and out-of-pocket expenses (including fees and disbursements of counsel) caused by or arising out

of any willful breach or gross negligence by such indemnifying party in the performance or non-performance of any obligation or agreement contained herein or by the willful misconduct of such indemnifying party. In the event of a claim against UPC by a third party, Overnite shall indemnify, defend and hold UPC harmless from and against all damages, losses and out-of-pocket expenses (including fees and disbursements of counsel) caused by or arising out of the performance or non-performance of any obligation or agreement contained herein except where caused by the willful breach, negligence, or willful misconduct of UPC. Notwithstanding any other provision of this Agreement, UPC shall

5

have no liability for the acts or omissions of any third party (other than a subsidiary of UPC) that provides services under this Agreement so long as UPC has not been grossly negligent in the selection of such third party. In the event Overnite believes UPC is not performing its obligations under this Agreement in accordance with the standards agreed upon by the parties, Overnite shall so notify UPC. UPC agrees to cooperate with Overnite to address performance issues and to bring UPC's performance into conformance with such standards.

7. Confidentiality. For purposes hereof, "Confidential

Information" means any information, in any form or medium, which relates to any component of a party's business and which is not a matter of public record or generally known to the public, including, without limitation, information relating to inventions; patent, trademark, and copyright applications; improvements; know-how; specifications; drawings; cost and pricing data; process flow diagrams; customer and supplier lists; bills; ideas; concepts; financial information; plans, practices, and procedures; agreements, documents, or instruments involving the party; and any information or materials deemed or designated as confidential or proprietary by the party. Each party agrees that during and after the term of this Agreement (or any extension thereof), unless specifically authorized by the other party in a prior writing, it shall not, directly or indirectly,

6

disclose the other party's Confidential Information to any person or entity, or use the other party's Confidential Information for its benefit. In the event that a party is requested or required to disclose the other party's Confidential Information in connection with any legal proceeding, interrogatory, subpoena, civil investigative demand, or similar process, that party will promptly notify the other party of the request or requirement so that the other party may seek an appropriate protective order. If, in the absence of a protective order, a party, on the advice of counsel, is compelled by any tribunal to disclose the other party's Confidential Information, that party shall use its best efforts to obtain an order or other assurance that confidential treatment will be accorded to such Confidential Information required to be disclosed. Promptly upon

request, or upon termination of this Agreement for any reason, each party shall return to the other party or destroy, as requested by the other party, any materials in its possession or control that contain, embody, or reflect the other party's Confidential Information.

8. Assignment. Neither party shall assign or transfer any of its

rights or obligations under this Agreement except with the prior written consent of the other party, which consent may be withheld by such other party in its sole discretion. This Agreement shall be binding upon and shall inure to the benefit of the parties and their successors and permitted assigns.

7

9. Miscellaneous.

A. Notices. All notices and other communications hereunder shall be

in writing and shall be delivered in person, mailed, delivered by courier service, or sent by facsimile to the following:

(i) If to UPC:

Union Pacific Corporation
1717 Main Street, Suite 5900
Dallas, Texas 75201
Fax No.: (214) 743-5794
ATTN: Vice President and Controller

With a copy to:

Union Pacific Railroad Company
1416 Dodge Street
Omaha, Nebraska 68179-0001
Fax No.: (402) 271-6444
ATTN: Senior Vice President,
Information Technology

(ii) If to Overnite:

Overnite Corporation
1000 Semmes Avenue
Richmond, Virginia 23224-2246
Fax No.: (804) 231-8501
ATTN: Senior Vice President and Chief

or to such other addresses as either party may designate in writing. All notices or communications given by personal delivery, mail, or courier service shall be effective upon receipt if received during the recipient's normal business hours. Notice given by facsimile shall be effective upon receipt if received during the recipient's normal business hours, or at the

beginning of the recipient's next business day if not received during the recipient's normal business hours.

B. Governing Law. This Agreement shall be governed by and construed

in accordance with the laws of the State of Missouri, without giving effect to the principles of conflicts of laws thereof.

C. Counterparts. This Agreement may be executed in any number of

counterparts, each of which when so executed shall be deemed an original but all of which shall together constitute but one and the same instrument.

D. Headings. The headings and captions set forth in this Agreement

are for convenience of reference only and shall not affect the construction or interpretation hereof.

E. Severability. The provisions of this Agreement are severable.

Should any provision of this Agreement be void, voidable, or unenforceable, this shall not affect or invalidate any other provisions of this Agreement, which shall continue to govern the relative rights and obligations of the parties as though such void, voidable, or unenforceable provision were not a part hereof.

F. Entire Agreement; Modification; Waiver. This Agreement

constitutes the entire agreement of the parties with respect to the subject matter hereof and supersedes all prior agreements and understandings, whether oral or written, with

respect thereto. This Agreement may not be modified or amended except by a subsequent written instrument duly executed by both parties. No failure or delay by any party in exercising any right, power, or privilege hereunder shall operate as a waiver thereof. Nor shall any single or partial exercise thereof preclude any other or further exercise of any other right, power, or privilege.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the Effective Date first written above.

UNION PACIFIC CORPORATION

By: _____

Print Name: _____

Title: _____

OVERNITE CORPORATION

By: _____

Print Name: _____

Title: _____

PENSION PLAN AGREEMENT

This PENSION PLAN AGREEMENT (the "Agreement") is made and entered as of the 30/th/ day of June, 1998 by and among UNION PACIFIC CORPORATION, a Utah corporation ("UPC"), OVERNITE TRANSPORTATION COMPANY, a Virginia corporation ("OTC"), and OVERNITE CORPORATION, a Virginia corporation ("Overnite").

WHEREAS, UPC intends to sell all of the outstanding common stock of Overnite Holding, Inc., a Delaware corporation and wholly owned subsidiary of UPC, to Overnite (the "Sale") immediately following an initial public offering of 100% of the common stock of Overnite (the closing of which is hereafter referred to as the "IPO"); and

WHEREAS, UPC, OTC, and Overnite desire to enter into this Agreement in order to establish the manner in which the assets of the Retirement Plan for Employees of Overnite Transportation Company and Subsidiaries (hereafter referred to as the "Overnite Plan") currently held in the master trust of which Northern Trust Company is the trustee (hereinafter referred to as the "Master Trust") will be transferred to a trust established by Overnite for the Overnite Plan;

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained, the parties hereto agrees as follows:

1. ESTABLISHMENT OF TRUST. Overnite shall establish a trust, in form and

substance acceptable to UPC, which will be effective as of or prior to the IPO and will be intended to qualify

under section 401(a) of the Internal Revenue Code of 1986, as amended (the "Code") for the Overnite Plan (hereinafter referred to as the "Overnite Trust").

2. ASSET TRANSFER. As soon as practicable after the IPO, UPC shall cause

the trustee of the Master Trust to transfer, in cash or in kind as determined by UPC after consulting in good faith with Overnite with the goal of a generally pro-rata division of assets, to the Overnite Trust an amount of assets (a) with a value equal to the total fair market value of the assets of the Overnite Plan as of June 30, 1998, and (b) adjusted to reflect earnings or losses on such assets through the date of the transfer of the assets. UPC shall cause the trustee of the Master Trust to segregate the assets of the Overnite Plan into a sub-account of the Master Trust effective June 30, 1998.

3. COOPERATION. UPC, OTC, and Overnite agree to provide each other with

such records and information as may be necessary or appropriate to carry out their respective obligations under this Agreement. UPC, OTC, and Overnite agree to file all documents required as a result of the Sale and the IPO, including but not limited to any notices of "reportable events" required by Section 4043(b) of the Employee Retirement Income Security Act of 1974, as amended.

4. ASSIGNMENT. No party may assign any of its rights or delegate any of its

duties under this Agreement without first obtaining the prior written consent of the other parties, which may be withheld by such other parties in their absolute discretion. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their successors and permitted assigns.

5. NO THIRD PARTY BENEFICIARIES. Except as set specifically forth in the

provisions of this Agreement, nothing in this Agreement, express or implied, is intended or will be construed to

confer upon or give to any person other than the parties hereto and their respective successors and permitted assigns any rights, remedies or obligations under or by reason of this Agreement or any transaction contemplated hereby.

6. GOVERNING LAW. This Agreement shall be governed by and construed in

accordance with laws of the State of New York, without regard for the conflict-of-laws principles thereof.

7. COUNTERPARTS. This Agreement may be executed in any number of

counterparts, each of which when so executed shall be deemed an original and all of which shall together constitute but one and the same instrument.

8. ENTIRE AGREEMENT. This Agreement constitutes the entire agreement of the

parties with respect to the subject matter hereof. This Agreement may not be amended or otherwise modified except by a written instrument duly executed and delivered by all of the parties.

9. SEVERABILITY. The provisions of this Agreement are severable. Should

any provision hereof be void, voidable or unenforceable under any applicable law, such provision shall not affect or invalidate any other provision of this Agreement, which shall continue to govern the relative rights and duties of the parties as though such void, voidable or unenforceable provision were not a part hereof.

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

UNION PACIFIC CORPORATION

By: _____
Title:

OVERNITE CORPORATION

By: _____
Title:

OVERNITE TRANSPORTATION COMPANY

By: _____
Title: