
As filed with the Securities and Exchange Commission on May 24, 2002
Registration No. 333-
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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM S-8
REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

ADVANCE AUTO PARTS, INC.
(Exact name of registrant as specified in its charter)

Delaware 5531 54-2049910
(State or other jurisdiction of (Primary Standard Industrial (Employer
incorporation or organization) Classification Code Number) Identification No.)

5673 Airport Road, Roanoke, Virginia 24012
(540) 362-4911
(Address, including zip code, and telephone number, including area code, of
registrant's principal executive offices)

ADVANCE AUTO PARTS, INC.
EMPLOYEE STOCK PURCHASE PLAN
(Full title of the plan)

Jimmie L. Wade
President and Chief Financial Officer
5673 Airport Road, Roanoke, Virginia 24012
(540) 362-4911
(Name, address, including zip code, and telephone number, including area code,
of agent for service)

Copies to:

Paul G. Lane, Esq.
Riordan & McKinzie
300 South Grand Avenue
29th Floor
Los Angeles, California 90071
(213) 629-4824

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be Registered/(1)/	Proposed Maximum Offering Price Per Share/(2)/	Proposed Maximum Aggregate Offering Price/(2)/	Amount of Registration Fee
Common Stock, par value \$0.0001 per share	700,000	57.71	\$40,397,000	\$3,716.52

- (1) Includes 700,000 shares issuable pursuant to the Registrant's Employee Stock Purchase Plan, as such number may be adjusted in accordance with said plan in the event of a recapitalization, stock dividend, stock split, or similar event involving the Registrant.
- (2) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(h) (1) under the Securities Act of 1933, as amended, based upon the average of the high and low prices of the Registrant's common stock reported on the New York Stock Exchange on May 23, 2002.

INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

Item 3. Incorporation of Documents by Reference.

The following documents which Advance Auto Parts, Inc. (the "Company") has filed with the Securities and Exchange Commission (the "Commission") are incorporated by reference into this registration statement:

- (1) The Annual Report of the Company on Form 10-K for the fiscal year ended December 29, 2001 filed with the Commission on March 28, 2002, including portions of the Company's Proxy Statement for the 2002 Annual Meeting of Stockholders incorporated by reference therein;
- (2) The Quarterly Report of the Company on Form 10-Q filed with the Commission on May 23, 2002;
- (3) The Current Report of the Company on Form 8-K filed with the Commission on January 16, 2002;
- (4) The Current Report of the Company on Form 8-K filed with the Commission on March 7, 2002;
- (5) The Current Report of the Company on Form 8-K filed with the Commission on April 5, 2002, as amended on April 16, 2002; and
- (6) The description of the Company's common stock contained in the Company's Registration Statement on Form 8-A filed with the Commission on November 28, 2001.

All documents filed by the Company pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 and prior to the filing of a post-effective amendment to the registration statement which indicates that all securities offered hereby have been sold or which deregisters all such securities remaining unsold, shall be deemed to be incorporated by reference herein and to be a part hereof from the date of filing of such documents. Any statement contained herein or in any document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this registration statement to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed to constitute a part of this registration statement, except as so modified or superseded.

Item 4. Description of Securities.

Not applicable.

Item 5. Interests of Named Experts and Counsel.

Not applicable.

Item 6. Indemnification of Directors and Officers.

The Company's certificate of incorporation provides for indemnification of the directors of the Company to the fullest extent permitted by law. In addition, the Company's bylaws provide for indemnification of both the officers and directors of the Company to the fullest extent permitted by law. Section 102(b)(7) of the Delaware General Corporation Law (the "DGCL") provides that a Delaware corporation has the power to eliminate or limit the personal liability of a director for violations of the director's fiduciary duty, except (i) for any breach of the director's duty of loyalty to the corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) for paying a dividend or approving a stock repurchase in violation of Delaware law, or (iv) for any transaction from which a director derived an improper personal benefit.

Section 145 of the DGCL provides that a corporation may indemnify any persons, including officers and directors, who are, or are threatened to be made, parties to any threatened, pending or completed legal action, suit or

proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of such corporation), by reason of the fact that such person was a director, officer, employee or agent of such corporation, or is or was serving at the request of such corporation or enterprise. The indemnity may include expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding, provided such a manner be reasonably believed to be in or not opposed to the corporation's best interests and, for criminal proceedings, had no reasonable cause to believe that his conduct was unlawful. A Delaware corporation may indemnify officers and directors in an action by or in the right of the corporation under the same conditions, except that no indemnification is permitted without judicial approval if the officer or director is adjudged to be liable to the corporation. Where an officer is successful on the merits or otherwise in the defense of any action referred to above, the corporation must indemnify him against the expenses which such officer or director actually and reasonably incurred.

Item 7. Exemptions from Registration Claimed.

Not applicable.

Item 8. Exhibits.

- 4.1 Form of Restated Certificate of Incorporation of the Company. (*)
- 4.2 Bylaws of the Company. (*)
- 5.1 Opinion of Riordan & McKinzie as to the legality of the common stock registered hereby.
- 23.1 Consent of Arthur Andersen LLP.
- 24.1 Power of Attorney (included on Page II-4 hereto).
- 99.1 Advance Auto Parts, Inc. Employee Stock Purchase Plan.

* Filed on August 31, 2001 as an exhibit to the Registration Statement on Form S-4 (No. 333-68858) of Advance Auto Parts, Inc. and incorporated herein by reference.

Item 9. Undertakings.

The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post effective amendment to this registration statement:

(i) To include any prospectus required by section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement;

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

Provided however, that paragraphs (i) and (ii) above do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed or furnished to the Commission by the registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the registration statement.

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(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the

offering.

(4) That, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

Insofar as indemnification for liabilities under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Roanoke, Commonwealth of Virginia, on this 24th day of May, 2002.

ADVANCE AUTO PARTS, INC.

By: /s/ Jimmie L. Wade

Jimmie L. Wade
President and Chief Financial Officer

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Lawrence P. Castellani, Jimmie L. Wade, and Mark J. Doran, and each of them, his true and lawful attorneys-in-fact and agents with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments (including post effective amendments) to this registration statement, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite or necessary to be done, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

Signature

Title(s)

Date

/s/ Lawrence P. Castellani ----- Lawrence P. Castellani	Chief Executive Officer and Director (Principal Executive Officer)	May 24, 2002
/s/ Jimmie L. Wade ----- Jimmie L. Wade	President and Chief Financial Officer (Principal Financial and Accounting Officer)	May 24, 2002
/s/ Nicholas F. Taubman ----- Nicholas F. Taubman	Chairman of the Board of Directors	May 24, 2002
/s/ Garnett E. Smith ----- Garnett E. Smith	Vice Chairman of the Board of Directors	May 24, 2002

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Signature -----	Title(s) -----	Date ----
/s/ Mark J. Doran ----- Mark J. Doran	Director	May 24, 2002
/s/ Peter J. Fontaine ----- Peter J. Fontaine	Director	May 24, 2002
/s/ Paul J. Liska ----- Paul J. Liska	Director	May 24, 2002
/s/ Stephen M. Peck ----- Stephen M. Peck	Director	May 24, 2002
/s/ Glenn Richter ----- Glenn Richter	Director	May 24, 2002
/s/ John M. Roth ----- John M. Roth	Director	May 24, 2002
/s/ William L. Salter ----- William L. Salter	Director	May 24, 2002
/s/ Ronald P. Spogli ----- Ronald P. Spogli	Director	May 24, 2002

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INDEX TO EXHIBITS

- 4.1 Form of Restated Certificate of Incorporation of the Company. (*)
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- 5.1 Opinion of Riordan & McKinzie as to the legality of the common stock registered hereby.
- 23.1 Consent of Arthur Andersen LLP.
- 24.1 Power of Attorney (included on Page II-4 hereto).
- 99.1 Advance Auto Parts, Inc. Employee Stock Purchase Plan.

on Form S-4 (No. 333-68858) of Advance Auto Parts, Inc. and
incorporated herein by reference.

[Riordan & McKinzie letterhead]

May 24, 2002

Advance Auto Parts, Inc.
5673 Airport Road
Roanoke, Virginia 24012

Re: Advance Auto Parts, Inc.
Registration Statement on Form S-8

Ladies and Gentlemen:

You have requested our opinion with respect to certain matters in connection with the filing by Advance Auto Parts, Inc., a Delaware corporation (the "Company"), of a Registration Statement on Form S-8 (the "Registration Statement") with the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "Act"), in connection with the registration of 700,000 shares (the "Shares") of the Company's Common Stock, par value \$.0001 per share ("Common Stock"), issuable pursuant to the Company's Employee Stock Purchase Plan (the "Plan").

In rendering the opinion set forth herein, we have made such investigations of fact and law, and examined such documents and instruments, or copies thereof established to our satisfaction to be true and correct copies thereof, as we have deemed necessary under the circumstances.

Based on such review, we are of the opinion that the Shares issuable by the Company pursuant to the Plan are duly authorized, and when issued in accordance with the provisions of the Plan, will be legally issued, fully paid and nonassessable.

We consent to the filing of this opinion letter as Exhibit 5.1 to the Registration Statement. This opinion letter is rendered as of the date first written above, and we disclaim any obligation to advise you of facts, circumstances, events or developments which hereafter may be brought to our attention and which may alter, affect or modify the opinion expressed herein.

Our opinion is expressly limited to the matters set forth above and we render no opinion, whether by implication or otherwise, as to any other matters relating to the Company or the Shares.

Very truly yours,

RIORDAN & MCKINZIE

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation by reference in this registration statement of our reports dated March 5, 2002 included in Advance Auto Parts, Inc.'s Form 10-K for the year ended December 29, 2001 and to all references to our Firm included in this registration statement.

/s/ Arthur Andersen LLP

Greenboro, North Carolina
May 21, 2002

ADVANCE AUTO PARTS, INC.
EMPLOYEE STOCK PURCHASE PLAN

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1. PURPOSE OF THE PLAN. The purpose of the Advance Auto Parts, Inc.

Employee Stock Purchase Plan is to encourage and enable Eligible Employees of Advance Auto Parts, Inc. ("the Company") and its participating Subsidiaries the opportunity to acquire a proprietary interest in the Company through the purchase of the Company's Stock at a discount. The Company believes that employees who participate in this Plan will have a closer identification with the Company by virtue of their ability as stockholders to participate in the Company's growth and earnings. It is the intention of the Company to have this Plan qualify as an "employee stock purchase plan" under Section 423 of the Code, as amended. Accordingly, the provisions of this Plan shall be construed in a manner consistent with the requirements of that Section 423 of the Code. Any provision of the Plan inconsistent with Section 423 of the Code will, without further act or amendment by the Company, be deemed reformed to comply with Code Section 423.

2. DEFINITIONS.

(a) "Account" B means for each Offering Period the separate bookkeeping account which shall be established for each Participating Employee to record the payroll deductions made on his or her behalf to purchase Stock under this Plan.

(b) "Authorization" B means the participation election and payroll deduction authorization form which an Eligible Employee shall be required to properly complete (either in writing or via electronic submission) and timely file with the Human Resources Department before the end of an Enrollment Period in order to participate in this Plan for the related Offering Period.

(c) "Beneficiary" B means a person to whom all or a portion of the shares or cash amounts due to the Participating Employee under the Plan will be paid if the Participating Employee dies before receiving such shares or cash amounts.

(d) "Board" B means the Board of Directors of the Company.

(e) "Code" B means the Internal Revenue Code of 1986, as amended, and any successor thereto.

(f) "Committee" B means the committee appointed by the Board to administer the Plan or in the absence of such a committee, then the Board itself.

(g) "Company" B means Advance Auto Parts, Inc. (including any entity that is directly or indirectly wholly-owned by Advance Auto Parts, Inc. and disregarded as an entity separate from Advance Auto Parts, Inc. under Section 7701 of the Code and the treasury regulations issued thereunder).

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(h) "Compensation" B means total base pay (which includes regular pay, overtime, and shift premiums, but excludes bonuses, and any compensation related to stock options or any other remuneration paid to the Participating Employee) for services rendered by Participating Employee to the Company during the applicable period specified in the Plan.

(i) "Custodial Account" B means the non-interest bearing bookkeeping account maintained on behalf of the Participating Employee to which shares purchased under Section 4.2 and Section 4.3 and dividends (net of withholding) shall be allocated and from which Shares and/or cash shall be distributed in accordance with Section 5.2.

(j) "Custodian" B means the custodian for the Plan appointed by the Committee.

(k) "Eligible Employee" B means each employee (as defined for purposes of Section 423 of the Code) of a Participating Employer who has been employed by such employer at least thirty days prior to the beginning of each period and who is customarily employed to work 20 or more hours per week, except:

(i) an employee who customarily is employed (within the meaning of Section 423(b)(4)(B)) of the Code 20 hours or less per week by the Company or such Subsidiary.

(ii) an employee who would own (immediately after the grant of an option under this Plan) stock possessing 5% or more of the total combined voting power or value of all classes of stock of the Company based on the rules set forth in Section 423(b)(3) and Section 424 of the Code.

(iii) a highly compensated employee (as defined under Section 414 (q) of the Code) who is required to file statements under Section 16(a) of the Securities Exchange Act of 1934 or who otherwise falls within a category of highly compensated employees that the Committee has determined in its discretion to exclude under this Plan for a particular Offering Period.

(l) "Enrollment Period" B means the period set by the Committee which precedes the beginning of the related Offering Period and which shall continue for no more than 30 days.

(m) "Fair Market Value" B means (1) the closing price on a given date for a share of Stock quoted on the New York Stock Exchange system or listed on a national securities exchange as reported by The Wall Street Journal or, if The Wall Street Journal no longer reports such closing price, such closing price as reported by a newspaper or trade journal selected by the Committee or, if no such closing price is available on such date, (2) such closing price as so reported for the immediately preceding business day, or, if no newspaper or trade journal reports such closing price or if no such price quotation is available, (3) the price which the Committee

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acting in good faith determines through any reasonable valuation method that a share of such Stock might change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of the relevant facts.

(n) "Offering Date" B means for each Offering Period the first day of

such Offering Period.

(o) "Offering Period" B means a period of approximately 3 months duration commencing on the first day of each calendar year (or at such other times as may be determined by the Committee) for each year for which this Plan is in effect.

(p) "Participating Employee" B means for each Offering Period each Eligible Employee who has satisfied the requirements set forth in Section 4 of this Plan for such Offering Period.

(q) "Participating Employer" B means for each Offering Period the Company and each Subsidiary that the Committee designates as a Participating Employer for such Offering Period.

(r) "Plan" B means this Advance Auto Parts, Inc. Employee Stock Purchase Plan.

(s) "Purchase Date" B means for each Offering Period the last day of such Offering Period.

(t) "Purchase Price" B means for each Offering Period in an Offering Period the lesser of 85% of the Fair Market Value of a share of Stock on the Offering Date or on the Purchase Date, whichever is lower.

(u) "Stock" B means the common stock, \$0.0001 par value per share, of the Company.

(v) "Subsidiary" B means each corporation which is a subsidiary of the Company (within the meaning of Section 424(f) of the Code).

3. SHARES OFFERED UNDER THE PLAN. There shall be a total of 700,000

shares of Stock available for purchase under this Plan, subject to any adjustment as provided in Section 12. All such shares of Stock shall be reserved to the extent that the Company deems appropriate from authorized but unissued shares of Stock or from shares of Stock that have been reacquired by the Company.

4. OFFERING PERIODS. This Plan shall be implemented by a series of

consecutive Offering Periods, with a new Offering Period commencing on or after the first day of

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the calendar quarter (or at such other times as may be determined by the Committee, but not exceeding 27 months) for each year for which this Plan is in effect.

5. ADMINISTRATION OF THE PLAN. The Committee shall supervise and

administer this Plan. The Committee acting in its absolute discretion shall exercise such powers and take such action as expressly called for under this Plan and, further, the Committee shall have the power and the discretion to interpret this Plan and to take such other action in the administration and operation of this Plan as the Committee deems equitable under the circumstances, which action shall be binding on the Company, on each affected Participating Employee and Participating Employer and on each other person directly or indirectly affected by such action. The Committee in its discretion may delegate, in whole or in part, its power and authority to another person or entity.

6. PARTICIPATION.

(a) Requirements. Each Eligible Employee who is employed by a

Participating Employer on the first day of an Enrollment Period shall satisfy the requirements to be a Participating Employee for the related Offering Period if:

(i) he or she has properly completed and filed an

Authorization with the Committee (or its delegate) on or before the last day of such Enrollment Period to purchase shares of Stock under this Plan, and

(ii) his or her employment as an Eligible Employee continues uninterrupted throughout the period which begins on the first day of such Enrollment Period and ends on the first day of the related Offering Period, and no Eligible Employee's employment shall be treated as interrupted by a transfer directly between the Company and any Subsidiary or between one Subsidiary and another Subsidiary.

(b) Continuity Authorization. An Authorization shall continue in effect until amended under Section 8.3 or cancelled under Section 8.4.

(c) Termination. A Participating Employee's status as such shall terminate for an Offering Period (for which he or she has an effective Authorization) at such time as his or her Account is withdrawn in full under Section 8.4(a) or his or her employment terminates under Section 10.1.

7. PURCHASE OF SHARES; LIMITATIONS.

(a) General Rule. Subject to Section 7.2, each Participating Employee for each Offering Period automatically shall, as of the first day of such Offering Period, be entitled to purchase at the Purchase Price up to a maximum number of whole shares of Stock, determined and specified by dividing such Participant's payroll deductions accumulated prior to the Purchase

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Date and retained in the Participant's Account as of such date by the applicable Purchase Price. With respect to each Offering Period, the Committee may also specify on or before the first day of such Offering Period, as applicable, a maximum number of shares that shall be made available under this Plan for such Offering Period.

(b) Statutory Limitation. No Eligible Employee shall purchase any Stock under this Plan or under any other employee stock purchase plan (within the meaning of Section 423 of the Code) established by the Company or any Subsidiary (within the meaning of Section 423(b)(8) of the Code) with a Fair Market Value in excess of \$25,000 per calendar year determined on the Offering Date, at the time the purchase occurs. For purposes of this limitation, an Eligible Employee's right to purchase Stock of the Company under this Plan shall occur on the Offering Date for such option (subject, however, to the Committee's ability to divest such right under Section 10.1).

(c) Insufficient Number of Shares of Stock. If the number of shares of Stock available for purchase for any Offering Period is insufficient to cover the number of shares which Participating Employees elect to purchase during such Offering Period (whichever is applicable), then the number of shares of Stock which each Participating Employee has a right to purchase on the Purchase Date shall be reduced to the number of shares of Stock which the Committee (or its delegate) shall determine by multiplying the number of shares of Stock available under this Plan for such Offering Period or (as applicable) by a fraction, the numerator of which shall be the number of shares of Stock which such Participating Employee elected to purchase during such Offering Period (as applicable) and the denominator of which shall be the total number of shares of Stock which all Participating Employees elected to purchase during such Offering Period (as applicable).

8. METHOD OF PAYMENT.

(a) Authorization. To enroll in the Plan for an Offering Period, an Eligible Employee must file an Authorization with the Company (or its designee) and elect to make contributions under the Plan in such form and manner and by such date as determined and communicated by the Committee. Each Participating Employee's Authorization shall specify the specific dollar amount which he or

she authorizes his or her Participating Employer to deduct from his or her Compensation each pay period (determined in accordance with such Participating Employer's standard payroll policies and practices) during the Offering Period for which such Authorization is in effect, provided:

(i) the minimum amount deducted from a Participating Employee's Compensation during any pay period in an Offering Period shall not be less than \$5.

(ii) the maximum amount deducted from a Participating Employee's Compensation during any calendar year shall not exceed the lesser of \$25,000 or ten (10%) of the Participating Employee's Compensation.

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(b) Continuing Authorization. An Authorization once timely filed under

Section 6.1(a) for an Offering Period commencing on the first day of the calendar year shall continue in effect for each Offering Period thereafter that commences on the first day of the calendar year until amended under Section 8.3 or cancelled under Section 8.4, and an Authorization once timely filed under Section 6.1(a) for an Offering Period commencing on the first day of a calendar quarter shall continue in effect for each Offering Period thereafter.

(c) Authorization Amendment. An Authorization for an Offering

Period commencing on the first day of the Company's calendar year may be amended during an Enrollment Period for such offering Period and the amendment shall be effective for such Offering Period if timely filed under Section 6.1(a).

(d) Cancellation of Election to Purchase. A Participating Employee who

has elected to purchase Stock for an Offering Period may cancel his or her election in its entirety during an Offering Period. Any such cancellation shall be effective upon the delivery by the Participating Employee of written notice of cancellation to the office or person designated to receive elections. Such notice of cancellation must be so delivered before the close of business on the last business day of the Offering Period.

A Participating Employee's rights upon the cancellation of his or her election to purchase Stock shall be limited to the following:

i) he or she may receive in cash, as soon as practicable after delivery of the notice of cancellation, the full amount then credited to his or her Account (no partial withdraws are permitted); or

ii) he or she may have the amount credited to his or her Account at the time the cancellation becomes effective applied to the purchase of the number of shares such amount will then purchase at the end of the Offering Period.

(e) Account Credits, General Assets and Taxes. All payroll

deductions made for a Participating Employee shall be credited to his or her Account as of the pay day as of which the deduction is made. All payroll deductions shall be held by the Company or by one, or more than one, Subsidiary (as determined by the Committee) as part of the general assets of the Company or any such Subsidiary, and each Participating Employee's right to the payroll deductions credited to his or her Account shall be those of a general and unsecured creditor. The Company or such Subsidiary shall have the right to withhold on payroll deductions to the extent such person deems necessary or appropriate to satisfy applicable tax laws.

(f) No Cash Payments. No Participating Employee may make any

contribution to his or her Account except through payroll deductions made in accordance with this Section 8.

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(a) General Rule. As soon as practicable after the Purchase Date

of each Offering Period, the Company or Custodian will purchase the number of shares of whole Stock that may be purchased by the amounts credited to each Participating Employee's Custodial Account as of such Purchase Date.

(b) Fractional Shares. No fractional shares shall be purchased under the Plan. The Committee may, at its discretion, determine whether cash in an amount representing the price of any fractional share shall be refunded, carried over to the next Offering Period, or applied to the purchase of a fractional share at the end of an Offering Period; provided that such determination shall apply uniformly to all Participating Employees for each Offering Period.

(c) Delivery of Stock. A stock certificate representing any

shares of Stock purchased under this Plan shall be credited to such Participating Employee's Custodial Account, as of such Purchase Date. At the Participating Employee's direction and expense, a stock certificate can be delivered to the Participating Employee and shall be registered in his or her name. No Participating Employee (or any person who makes a claim through a Participating Employee) shall have any interest in any shares of Stock subject until such shares have been purchased and the related shares of Stock actually have been delivered to such person or have been transferred to their Custodial Account.

(d) Dividends. Any dividends (net of any withholding taxes)

received with respect to shares credited to Participating Employee's Custodial Account will be reinvested in additional shares which shall be purchased by the Custodian in the open market (or by some other means as determined by the Committee) as soon as administratively feasible following receipt of such net dividend payment by the Custodian.

10. TERMINATION OF EMPLOYMENT. -----

(a) General Rule. Subject to Section 10.2, if a Participating

Employee's employment as an Eligible Employee terminates on or before the Purchase Date for an Offering Period for any reason whatsoever, his or her Account shall be distributed as if he or she had elected to withdraw in full his or her Account in cash under Section 8.4(a) immediately before the date his or her employment had so terminated. However, if a Participating Employee is transferred directly between the Company and a Participating Subsidiary or between one Participating Subsidiary and another Participating Subsidiary while he or she has an Authorization in effect, his or her employment shall not be treated as terminated merely by reason of such transfer and any such Authorization shall (subject to all the terms and conditions of this Plan) remain in effect after such transfer for the remainder of such Offering Period.

(b) Death. If a Participating Employee dies and has an election to

purchase Stock in effect at the time of his or her death, the legal representative of the deceased

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Participating Employee may, by delivering written notice to the office or person designated to receive elections no later than the end of the Offering Period, elect to

i) have the amount credited to the Participating Employee's Account at the time of his or her death, or

ii) cancel in full the election to purchase shares of Stock in accordance with the provisions of Section 8.4(a).

If no such notice is given within such period, the election will be deemed canceled as of the date of death, and the only right of such legal representative will be to receive in cash the amount credited to the deceased

Participating Employee's Account.

11. NON-TRANSFERABILITY. Neither the balance credited to a

Participating Employee's Account nor any rights to purchase Stock under this Plan shall be transferable other than by will or by the laws of descent and distribution, and any purchase right shall be exercisable during a Participating Employee's lifetime only by the Participating Employee.

12. ADJUSTMENT. The number, kind or class (or any combination thereof)

of shares of Stock reserved under Section 3, and the Purchase Price of such shares of Stock as well as the number, kind or class (or any combination thereof) of shares of Stock subject to grants under this Plan shall be adjusted by the Committee in an equitable manner to reflect any change in the capitalization of the Company, including, but not limited to such changes as Stock dividends or Stock splits.

13. SECURITIES REGISTRATION. As a condition to the receipt of shares

of Stock under this Plan, an Eligible Employee shall, if so requested by the Company, agree to hold such shares of Stock for investment and not with a view of resale or distribution to the public and, if so requested by the Company, shall deliver to the Company a written statement satisfactory to the Company to that effect. Furthermore, if so requested by the Company, the Eligible Employee shall make a written representation to the Company that he or she will not sell or offer for sale any of such Stock unless a registration statement shall be in effect with respect to such Stock under the Securities Act of 1933 and any applicable state securities law or the Eligible Employee shall have furnished to the Company an opinion in form and substance satisfactory to the Company of legal counsel satisfactory to the Company that such registration is not required. Certificates representing the Stock transferred upon the exercise of an option may at the discretion of the Company bear a legend to the effect that such Stock has not been registered under the Securities Act of 1933 or any applicable state securities law and that such Stock cannot be sold or offered for sale in the absence of an effective registration statement as to such Stock under the Securities Act of 1933 and any applicable state securities law or an opinion in form and substance satisfactory to the Company of legal counsel satisfactory to the Company that such registration is not required.

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14. AMENDMENT OR TERMINATION. This Plan may be amended by the Board

from time to time to the extent that the Board deems necessary or appropriate in light of, and consistent with, Section 423 of the Code and the laws of the Commonwealth of Virginia, and any such amendment shall be subject to the approval of the Company's stockholders to the extent such approval is required under Section 423 of the Code or the laws of the Commonwealth of Virginia or to the extent such approval is required to satisfy any requirements under applicable law.

The Board also may terminate this Plan or any offering made under this Plan at any time. The actions of the Committee may be taken at a meeting by a majority of its members, in writing without a meeting if all members of the Committee sign such writing or by the use of a conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other and participation in such a meeting in this manner shall constitute attendance and presence in person at the meeting of the person or persons so participating for all purposes.

The Committee will administer the Plan on a nondiscriminatory basis and will apply uniform rules to all persons similarly situated. The Board reserves the right to amend the Plan from time to time subject to the following limitations:

i) No amendment will be made without the prior approval of the stockholders of the Company if the amendment will (1) increase the number of shares available for purchase under the Plan, or (2) materially modify the eligibility conditions or increase the benefits available to Eligible Employees under the Plan.

ii) No amendment will reduce the amount of a Participating

Employee's Account or Custodial Account balance.

iii) No amendment will be made which will cause the Plan to not satisfy the requirements under Section 423 of the Code.

15. MISCELLANEOUS.

(a) Stockholder Rights. No Participating Employee shall have any

rights as a stockholder of the Company as a result of the grant of a purchase right pending the actual delivery of the Stock subject to such purchase right to such Participating Employee.

(b) No Contract of Employment. The grant of a purchase right to a

Participating Employee under this Plan shall not constitute a contract of employment and shall not confer on a Participating Employee any rights upon his or her termination of employment.

(c) Withholding. Each purchase right shall be made subject to the

condition that the Participating Employee consents to whatever action the Company directs to satisfy the

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federal and state tax withholding requirements, if any, which the Company in its discretion deems applicable to the exercise of such purchase right.

(d) Construction. All references to sections are to sections of this

Plan unless otherwise indicated. This Plan shall be construed under the laws of the Commonwealth of Virginia, without regard to the law of conflicts of such state, to the extent that federal law does not preempt such laws. Finally, each term set forth in Section 2 shall have the meaning set forth opposite such term for purposes of this Plan and, for purposes of such definitions, the singular shall include the plural and the plural shall include the singular.

(e) Costs. All costs and expenses incurred in the administration of

the Plan will be paid by the Company. Any brokerage fees or expenses for the sale or transfer of Stock by a Participating Employee will be borne by the Participating Employee.

(f) Liability for Taxes. Each Participating Employee shall be

responsible for, and will indemnify the Participating Employer against, any federal, state or local income or other applicable taxes, including any interest or penalties relating thereto, to which the Participating Employee may be subject as a result of the Participating Employee's participation in the Plan or the Participating Employee's sale of shares acquired thereunder.

(g) Rule 16b-3. The Committee shall have the right to amend any

purchase right to withhold or otherwise restrict the transfer of any Stock of the Company or cash under this Plan to an Eligible Employee as the Committee deems appropriate in order to satisfy any condition or requirement under Rule 16b-3 to the extent Rule 16 of the Securities Exchange Act of 1934 might be applicable to such grant or transfer.

16. EFFECTIVE DATE; TERM OF PLAN. This Plan shall become effective

upon approval by the Company's stockholders and shall continue in effect for a term of ten years unless terminated earlier under Section 14.

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