

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2003

OR

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

For the transition period from _____ to _____

Commission file number 0-12255

YELLOW CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

48-0948788

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer
Identification No.)

10990 Roe Avenue, Overland Park, Kansas

66207

(Address of principal executive offices)

(Zip Code)

(913) 696-6100

(Registrant's telephone number, including area code)

No Changes

(Former name, former address and former fiscal year, if changed since
last report)

Indicate by check mark whether the registrant (1) has filed all reports required
to be filed by Sections 13 or 15(d) of the Securities Exchange Act of 1934
during the preceding 12 months (or for such shorter period that the registrant
was required to file such reports), and (2) has been subject to such filing
requirements for the past 90 days.

Yes X No
--- ---

Indicate by check mark whether the Registrant is an accelerated filer (as
defined in Rule 12b-2 of the Exchange Act).

Yes No X
--- ---

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

Class

Outstanding at April 30, 2003

Common Stock, \$1 Par Value Per Share

29,698,931 shares

YELLOW CORPORATION

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

CONSOLIDATED BALANCE SHEETS
Yellow Corporation and Subsidiaries
(Amounts in thousands except per share data)
(Unaudited)

	March 31, 2003	December 31, 2002
	-----	-----
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 23,336	\$ 28,714
Accounts receivable	324,900	327,913
Prepaid expenses and other	52,921	68,726
	-----	-----
Total current assets	401,157	425,353
	-----	-----
PROPERTY AND EQUIPMENT:		
Cost	1,693,130	1,679,096
Less - Accumulated depreciation	1,122,794	1,114,120
	-----	-----
Net property and equipment	570,336	564,976
	-----	-----
Goodwill and other assets	54,156	52,656
	-----	-----
Total assets	\$ 1,025,649	\$ 1,042,985
	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ 77,913	\$ 114,989
Wages, vacations, and employees' benefits	166,449	159,998
Other current and accrued liabilities	102,469	101,111
Asset backed securitization (ABS) borrowings	50,000	50,000
Current maturities of long-term debt	35,260	24,261
	-----	-----
Total current liabilities	432,091	450,359
	-----	-----
OTHER LIABILITIES:		
Long-term debt, less current portion	39,004	50,024
Deferred income taxes, net	26,240	25,657
Claims and other liabilities	161,673	156,987
	-----	-----
Total other liabilities	226,917	232,668
	-----	-----
SHAREHOLDERS' EQUITY:		
Common stock, \$1 par value per share	31,828	31,825
Capital surplus	80,654	80,610
Retained earnings	331,100	325,474
Accumulated other comprehensive loss	(34,707)	(35,596)
Unamortized restricted stock awards	(932)	(1,053)
Treasury stock, at cost (2,244 shares)	(41,302)	(41,302)
	-----	-----
Total shareholders' equity	366,641	359,958
	-----	-----
Total liabilities and shareholders' equity	\$ 1,025,649	\$ 1,042,985
	=====	=====

The accompanying notes are an integral part of these statements.

STATEMENTS OF CONSOLIDATED OPERATIONS
Yellow Corporation and Subsidiaries
For the Three Months Ended March 31
(Amounts in thousands except per share data)
(Unaudited)

	2003	2002
	-----	-----
OPERATING REVENUE	\$ 681,093	\$ 578,802
	-----	-----
OPERATING EXPENSES:		
Salaries, wages and benefits	438,748	390,239
Operating expenses and supplies	109,943	81,068
Operating taxes and licenses	19,767	18,379
Claims and insurance	12,724	13,580
Depreciation and amortization	20,268	18,929
Purchased transportation	67,873	53,246
Losses on property disposals, net	11	468
Spin-off and reorganization charges	-	236
	-----	-----
Total operating expenses	669,334	576,145
	-----	-----
OPERATING INCOME	11,759	2,657
	-----	-----
NONOPERATING (INCOME) EXPENSES:		
Interest expense	2,646	2,310
ABS facility charges	-	754
Other, net	(93)	(158)
	-----	-----
Nonoperating expenses, net	2,553	2,906
	-----	-----
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	9,206	(249)
INCOME TAX PROVISION (BENEFIT)	3,580	(102)
	-----	-----
INCOME (LOSS) FROM CONTINUING OPERATIONS	5,626	(147)
Loss from discontinued operations, net	-	(72,889)
	-----	-----
NET INCOME (LOSS)	\$ 5,626	\$ (73,036)
	=====	=====
AVERAGE SHARES OUTSTANDING-BASIC	29,583	24,934
	=====	=====
AVERAGE SHARES OUTSTANDING-DILUTED	29,818	25,259
	=====	=====
BASIC EARNINGS (LOSS) PER SHARE:		
Income (loss) from continuing operations	\$ 0.19	\$ (0.01)
Loss from discontinued operations	-	(2.92)
	-----	-----
Net income (loss)	\$ 0.19	\$ (2.93)
	-----	-----
DILUTED EARNINGS (LOSS) PER SHARE:		
Income (loss) from continuing operations	\$ 0.19	\$ (0.01)
Loss from discontinued operations	-	(2.88)
	-----	-----
Net income (loss)	\$ 0.19	\$ (2.89)
	-----	-----

The accompanying notes are an integral part of these statements.

STATEMENTS OF CONSOLIDATED CASH FLOWS
Yellow Corporation and Subsidiaries
For the Three Months Ended March 31
(Amounts in thousands)
(Unaudited)

	2003	2002
	-----	-----
OPERATING ACTIVITIES:		
Net income (loss)	\$ 5,626	\$(73,036)
Noncash items included in net income (loss):		
Depreciation and amortization	20,268	18,929
Loss from discontinued operations	-	72,889
Losses on property disposals, net	11	468
Changes in assets and liabilities, net:		
Accounts receivable	3,013	(19,212)
Accounts receivable securitizations	-	30,500
Accounts payable	(37,076)	(27,299)
Other working capital items	23,594	42,675
Claims and other	5,183	3,028
Other	(564)	2,188
Net change in operating activities of discontinued operations	-	(3,050)
	-----	-----
Net cash from operating activities	20,055	48,080
	-----	-----
INVESTING ACTIVITIES:		
Acquisition of property and equipment	(26,141)	(25,380)
Proceeds from disposal of property and equipment	691	(580)
Net capital expenditures of discontinued operations	-	(1,275)
	-----	-----
Net cash used in investing activities	(25,450)	(27,235)
	-----	-----
FINANCING ACTIVITIES:		
Decrease in long-term debt	(21)	(25,418)
ABS borrowings, net	-	-
Proceeds from stock options and other, net	38	2,039
	-----	-----
Net cash provided by (used in) financing activities	17	(23,379)
	-----	-----
NET DECREASE IN CASH AND CASH EQUIVALENTS	(5,378)	(2,534)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	28,714	19,214
	-----	-----
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 23,336	\$ 16,680
	=====	=====
SUPPLEMENTAL CASH FLOW INFORMATION:		
Income taxes paid (refunds), net	\$ 4,832	\$ (5,348)
	=====	=====
Interest paid	\$ 1,510	\$ 2,216
	=====	=====

The accompanying notes are an integral part of these statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Yellow Corporation and Subsidiaries
(unaudited)

1. The accompanying consolidated financial statements include the accounts of Yellow Corporation and its wholly owned subsidiaries (the company or Yellow). The company has prepared the consolidated financial statements, without audit by independent public accountants, pursuant to the rules and regulations of the Securities and Exchange Commission (SEC). In the opinion of management, all normal recurring adjustments necessary for a fair statement of the financial position, results of operations and cash flows for the interim periods included herein have been made. Certain information and note disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted from these statements pursuant to SEC rules and regulations. Accordingly, the accompanying consolidated financial statements should be read in conjunction with the consolidated financial statements included in the company's Annual Report on Form 10-K for the year ended December 31, 2002.

2. Yellow Corporation is a holding company that through wholly owned operating subsidiaries offers its customers a wide range of asset and non-asset-based transportation services integrated by technology. Yellow Transportation, Inc. (Yellow Transportation) offers a full range of regional, national and international services for the movement of industrial, commercial and retail goods. Meridian IQ, LLC (Meridian IQ) is a non-asset global transportation management company that plans, coordinates and manages the movement of goods worldwide to provide customers a single source for transportation management solutions. Yellow Technologies, Inc. provides innovative technology solutions and services exclusively for Yellow Corporation companies.

On September 30, 2002, the company completed the 100 percent distribution (the spin-off) of all of its shares of SCS Transportation, Inc. (SCST) to Yellow shareholders. SCST provides regional overnight and second-day less-than-truckload (LTL) and selected truckload (TL) transportation services through two subsidiaries, Saia Motor Freight Line, Inc. and Jevic Transportation, Inc. Shares were distributed on the basis of one share of SCST common stock for every two shares of Yellow common stock. As a result of the spin-off, the company's financial statements were reclassified to reflect SCST as discontinued operations for the prior period presented.

Summarized results of operations relating to SCST (as reported in discontinued operations) for the three months ended March 31, 2002 were as follows (amounts in thousands, except per share data):

Operating revenue	\$ 183,538
Operating expenses	178,091

Operating income	5,447
Nonoperating expenses, net	1,578

Income before income taxes	3,869
Income tax provision	1,583

Income from continuing operations	2,286
Cumulative effect of change in accounting for goodwill	(75,175)

Loss from discontinued operations, net	\$ (72,889)
	=====
Discontinued operations basic earnings (loss) per share:	
Income from continuing operations	\$ 0.09
Cumulative effect of change in accounting for goodwill	(3.01)

Loss from discontinued operations	\$ (2.92)
	=====
Discontinued operations diluted earnings (loss) per share:	
Income from continuing operations	\$ 0.09
Cumulative effect of change in accounting for goodwill	(2.97)

Loss from discontinued operations	\$ (2.88)
	=====

Management fees and other corporate services previously allocated to SCST were not charged to discontinued operations, as the company continues to incur the expenses. Interest expense was allocated to discontinued operations based on the overall effective borrowing rate of Yellow applied to the debt reduction that Yellow realized from the spin-off. Interest expense included in discontinued operations was \$1.6 million for the three months ended March 31, 2002.

3. The company reports financial and descriptive information about its reportable operating segments on a basis consistent with that used internally for evaluating segment operating performance and allocating resources to segments. Yellow manages the segments separately because each requires different operating strategies. The company evaluates performance primarily on operating income and return on capital.

The company has two reportable segments, which are strategic business units that offer complementary transportation services to its customers. Yellow Transportation is a unionized carrier that provides comprehensive regional, national and international transportation services. Meridian IQ provides domestic and international freight forwarding, multi-modal brokerage and transportation management services.

The accounting policies of the segments are the same as those described in the Summary of Accounting Policies in the company's Annual Report on Form 10-K for the year ended December 31, 2002. The company charges management fees and other corporate services to segments primarily based on direct benefit received or allocated based on revenue. Corporate operating losses represent operating expenses of the holding company, including salaries, wages and benefits, along with incentive compensation and professional services. In 2003, Corporate operating losses also included \$4.0 million for an industry conference the company hosted. Corporate identifiable assets primarily referred to cash and cash equivalents, in addition to pension intangible assets. Intersegment revenue related to transportation services provided by Yellow Transportation to Meridian IQ and charges to Yellow Transportation for use of various Meridian IQ service names.

The following table summarizes the company's operations by business segment (in thousands):

	Yellow Transportation -----	Meridian IQ -----	Corporate/ Eliminations -----	Consolidated -----
As of March 31, 2003				
Identifiable assets	\$ 934,047	\$ 63,816	\$ 27,786	\$ 1,025,649
As of December 31, 2002				
Identifiable assets	940,252	64,617	38,116	1,042,985
Three months ended				
March 31, 2003				
External revenue	659,559	21,534	-	681,093
Intersegment revenue	566	549	(1,115)	-
Operating income (loss)	19,500	(893)	(6,848)	11,759
Three months ended				
March 31, 2002				
External revenue	563,949	14,853	-	578,802
Intersegment revenue	694	549	(1,243)	-
Operating income (loss)	6,662	(1,515)	(2,490)	2,657

4. The company has various stock-based employee compensation plans, which are described more fully in the company's Annual Report on Form 10-K for the year ended December 31, 2002. Yellow accounts for those plans under the recognition and measurement principles of Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees." The company does not reflect compensation cost in net income, as all options that the company granted under those plans had an exercise price equal to the market value of the underlying common stock on the date of grant.

The pro forma calculations in the table below were estimated using the Black-Scholes option pricing model with the following weighted average assumptions:

	2003 -----	2002 -----
Dividend yield	-%	-%
Expected volatility	47.2%	39.0%
Risk-free interest rate	2.0%	2.6%
Expected option life (years)	3	3
Fair value per option	\$ 8.88	\$ 7.81

The following table illustrates the effect on income from continuing operations, net income and earnings per share if the company had applied the fair value recognition provisions of Statement of Financial Accounting Standards No. 123, Accounting for Stock-Based Compensation, for the three months ended March 31:

(In thousands except per share data)	2003	2002
	-----	-----
Net income (loss), as reported	\$ 5,626	\$ (73,036)
Less: Total stock-based employee compensation expense determined under fair value based method for all awards, net of related tax effects	549	360
Pro forma net income (loss)	\$ 5,077	\$ (73,396)
	=====	=====
Basic earnings (loss) per share:		
Income (loss) from continuing operations -- as reported	\$ 0.19	\$ (0.01)
Income (loss) from continuing operations -- pro forma	0.17	(0.02)
Net income (loss) -- as reported	0.19	(2.93)
Net income (loss) -- pro forma	0.17	(2.94)
Diluted earnings (loss) per share:		
Income (loss) from continuing operations -- as reported	\$ 0.19	\$ (0.01)
Income (loss) from continuing operations -- pro forma	0.17	(0.02)
Net income (loss) -- as reported	0.19	(2.89)
Net income (loss) -- pro forma	0.17	(2.90)

5. The company's comprehensive income includes net income, changes in the fair value of an interest rate swap and foreign currency translation adjustments. Comprehensive income (loss) for the three months ended March 31, 2003 and 2002 was \$6.5 million and \$(71.6) million, respectively.
6. As of March 31, 2003, the carrying amount of goodwill was \$20.5 million and the carrying amount of identifiable intangible assets was \$8.3 million. Refer to the company's Annual Report on Form 10-K for the year ended December 31, 2002 for a description of the company's goodwill and intangibles policies.
7. The company incurs rental expenses under noncancelable lease agreements for certain buildings and operating equipment. Rental expense is charged to operating expenses and supplies on the Statements of Consolidated Operations. The following table represents the actual rental expense, as reflected in operating income, incurred for the three months ended March 31 (in thousands):

	2003	2002
	-----	-----
Rental expense	\$9,595	\$8,484

8. Under current legislation regarding multi-employer pension plans, a termination, withdrawal or partial withdrawal from any multi-employer plan that is in an under-funded status would render the company liable for a proportionate share of such multi-employer plans' unfunded vested liabilities. This potential unfunded pension liability also applies to the company's unionized competitors who contribute to multi-employer plans. Based on the limited information available from plan administrators, which the company cannot independently validate, the company believes that its portion of the contingent liability in the case of a full withdrawal or termination would be material to its financial position and results of operations. Yellow Transportation has no current intention of taking any action that would subject the company to obligations under the legislation.

Yellow Transportation has collective bargaining agreements with its unions that stipulate the amount of contributions Yellow Transportation makes to multi-employer pension plans. The Internal Revenue Code and Internal Revenue Service regulations also establish minimum funding requirements for multi-employer pension plans and a process to address the plans' funding if it fails to meet those requirements.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A) should be read in conjunction with the Consolidated Financial Statements and the Notes to the Consolidated Financial Statements of Yellow Corporation (also referred to as "Yellow," "we" or "our"). MD&A and certain statements in the Notes to Consolidated Financial Statements include forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21 of the Securities Exchange Act of 1934, as amended (each a forward-looking statement). Forward-looking statements include those preceded by, followed by or include the words "should," "expects," "believes," "anticipates," "estimates" or similar expressions. Our actual results could differ materially from those projected by these forward-looking statements due to a number of factors, including (without limitation), inflation, labor relations, inclement weather, price and availability of fuel, competitor pricing activity, expense volatility, changes in and customer acceptance of new technology, changes in equity and debt markets and a downturn in general or regional economic activity.

RESULTS OF OPERATIONS

CONSOLIDATED RESULTS

The following table summarizes the Statements of Consolidated Operations for the three months ended March 31 (in millions):

	2003	2002	Percent Change
	-----	-----	-----
Operating Revenue	\$ 681.1	\$ 578.8	17.7%
Operating Income	11.8	2.7	342.6%
Nonoperating Expenses, net	2.6	2.9	(12.1)%
Income (Loss) from Continuing Operations	5.6	(0.1)	n/m(1)
Loss from Discontinued Operations	-	(72.9)	n/m(1)
Net Income (Loss)	\$ 5.6	\$ (73.0)	107.7%
	-----	-----	-----

(1) Not meaningful.

Three Months Ended March 31, 2003 Compared to Three Months Ended March 31, 2002

Our consolidated operating revenue for the first quarter of 2003 increased by \$102.3 million over the first quarter of 2002, primarily as a result of increased volumes at Yellow Transportation from growth in premium services and increased market share from the September 2002 closure of Consolidated Freightways, Inc. (CF), a major competitor of Yellow Transportation. We also recognized \$6.7 million of additional revenue at Meridian IQ, mostly due to increased volumes in international forwarding, the July 2002 acquisition of Clicklogistics, Inc. (Clicklogistics) customer contracts and the August 2002 acquisition of MegaSys, Inc. (MegaSys).

Operating income improved by \$9.1 million for the first quarter of 2003 compared to the first quarter of 2002 despite continued economic conditions and extreme weather experienced during the quarter. Corporate expenses increased approximately \$4.4 million over last year primarily due to \$4.0 million for an industry conference that Yellow hosts every other year. These costs are included under "Corporate" in the Business Segments note. Operating income for the first quarter of 2002 included \$0.7 million related to losses on property disposals and spin-off and reorganization charges. The first quarter of 2003 included minimal losses on property disposals.

Nonoperating expenses decreased by \$0.3 million from the first quarter of 2002 due mostly to lower financing costs for our asset-backed securitization (ABS) obligations, from both lower interest rates and lower average borrowings. In the first quarter of 2002, ABS obligations were off-balance sheet with financing costs recorded as "ABS facility charges" on the Statement of Consolidated Operations. Due to the December 31, 2002 amendment to the facility, ABS borrowings were prospectively reflected on the Consolidated Balance Sheets and the related interest was recorded as "interest expense" on the Statement of Consolidated Operations. Interest expense for the first quarter of 2003 included approximately \$0.4 million related to the ABS facility compared to \$0.8 million of ABS facility charges in the first quarter of 2002.

Our effective tax rate on continuing operations for the first quarter of 2003 was 38.9 percent compared to 41.0 percent in the first quarter of 2002. The lower tax rate resulted from projected higher profits before tax and lower nondeductible business expenses in 2003 compared to 2002.

Our net loss of \$73.0 million for the first quarter of 2002 occurred primarily due to the impairment of goodwill associated with the acquisition of Jevic Transportation, Inc. (Jevic). In the first quarter of 2002, we recorded a non-cash charge of \$75.2 million as a cumulative effect of change in accounting for the impairment of Jevic goodwill. In September 2002, we successfully completed the 100 percent distribution (the spin-off) of all of the shares of SCS Transportation, Inc. (SCST) to our shareholders. As a result of the spin-off, the non-cash charge and the results of operations for SCST have been reclassified as discontinued operations on our 2002 Statement of Consolidated Operations.

YELLOW TRANSPORTATION RESULTS

The table below provides summary information for Yellow Transportation for the three months ended March 31 (in millions):

	2003	2002	Percent Change
	-----	-----	-----
Operating Revenue	\$660.1	\$564.6	16.9%
Operating Income	19.5	6.7	192.7%
Operating Ratio	97.0%	98.8%	(1.8)pp
	-----	-----	-----

Three Months Ended March 31, 2003 Compared to Three Months Ended March 31, 2002

As discussed under our consolidated results, Yellow Transportation realized increases in volumes and price in the first quarter of 2003 compared to the first quarter of 2002 as a result of its premium services, pricing discipline, service quality and market share growth from the CF closure. Less-than-truckload (LTL) revenue per day increased 17.0% over the first quarter of 2002, primarily reflecting a 9.2% increase in LTL tonnage per day and a 7.1% improvement in LTL revenue per hundred weight. A primary indicator of pricing, LTL revenue per hundred weight excluding fuel surcharge, was up 3.7 percent in the first quarter of 2003 compared to the first quarter of 2002.

Yellow Transportation realized improved operating income of \$12.8 million from the first quarter of 2002 to the first quarter of 2003, despite increased costs for wages and benefits, workers' compensation, and bad debts in 2003. In addition, Yellow Transportation incurred approximately \$5.0 million of unexpected weather-related expenses in the first quarter of 2003, including driver delays, snow removal, and employee injuries. Higher volumes combined with contractual wage and benefit increases impacted first quarter 2003 operating expense by over \$35 million. Improved productivity and labor mix slightly offset the increased wages. Yellow Transportation also recognized a benefit of \$1.3 million from a partial insurance recovery under a fidelity policy related to prior years' cargo expenses. We are reviewing and making appropriate adjustments to our procedures and controls in response to this insurance claim.

As a result of increased costs per claim and longer duration of cases over the past several years, the projected ultimate costs of workers' compensation claims were higher than originally anticipated. This occurred despite the continued improvement of safety statistics at Yellow Transportation year over year. Workers' compensation expense increased by \$3.7 million in the first quarter of 2003 compared to the first quarter of 2002. During the second half of 2002, Yellow Transportation added additional resources to manage these claims.

Bad debt expense also had a negative impact on Yellow Transportation results, increasing by \$3.5 million in the first quarter of 2003 compared to the first quarter of 2002. The increase resulted from higher business levels, and a trend of additional write-offs partially due to the negative impact of the economy on certain customers and their ability to pay. During the fourth quarter of 2002, Yellow Transportation added additional collection personnel and improved its credit policies regarding new and continuing customers.

On March 28, 2003, the International Brotherhood of Teamsters ratified a new National Master Freight Agreement with the members of the Motor Freight Carrier Association, including Yellow Transportation. The five-year agreement, effective April 1, 2003, covers approximately 80 percent of Yellow Transportation employees. The new contract will increase wages and benefits about 3 percent annually.

MERIDIAN IQ RESULTS

The table below provides summary information for Meridian IQ for the three months ended March 31 (in millions):

	2003	2002	Percent Change
	-----	-----	-----
Operating Revenue	\$22.1	\$15.4	43.4%
Operating Loss	(0.9)	(1.5)	(41.1)%
	-----	-----	-----

Three Months Ended March 31, 2003 Compared to Three Months Ended March 31, 2002

As discussed under our consolidated results, Meridian IQ recognized additional revenue of \$6.7 million in the first quarter of 2003 compared to the first quarter of 2002, mostly due to increased volumes in international forwarding and the recent acquisitions of MegaSys and the customer contracts of Clicklogistics. Meridian IQ also realized additional revenue from premium services. Operating losses at Meridian IQ declined from the first quarter of 2002 as a result of improved operating revenue and margins.

FINANCIAL CONDITION

LIQUIDITY

Our liquidity needs arise primarily from capital investment in new equipment, land and structures, and information technology, as well as funding working capital requirements. To provide short-term and longer-term liquidity, we maintain capacity under a bank credit agreement and an ABS agreement involving Yellow Transportation accounts receivable. We believe these facilities provide adequate capacity to fund current working capital and capital expenditure requirements. It is not unusual for us to have a deficit working capital position, as we can operate in this position due to rapid turnover of accounts receivable, effective cash management and ready access to funding.

Bank Credit Agreement

We maintain a \$300 million bank credit agreement scheduled to expire in April 2004. In addition to funding short-term liquidity needs, we also use the facility to provide letters of credit that reduce available borrowings under the credit agreement. Letters of credit serve as collateral for our self-insurance programs, primarily in the areas of workers' compensation and bodily injury and property damage. The following table summarizes the availability under the bank credit agreement at each period end (in millions):

	March 31, 2003	December 31, 2002
	-----	-----
Total capacity	\$ 300.0	\$ 300.0
Outstanding borrowings	-	-
Letters of credit	(152.5)	(146.2)
	-----	-----
Available unused capacity	\$ 147.5	\$ 153.8

Our outstanding letters of credit at March 31, 2003 included \$14.0 million for property damage and workers' compensation claims against SCST. Yellow agreed to maintain the letters of credit outstanding at the spin-off date until SCST obtained replacement letters of credit or third party guarantees. SCST agreed to use its reasonable best efforts to obtain these letters of credit or guarantees, which in many cases would allow Yellow to obtain a release of its letters of credit. SCST also agreed to indemnify Yellow for any claims against the letters of credit provided by Yellow. SCST reimburses Yellow for all fees incurred related to the remaining outstanding letters of credit. We also provide a guarantee regarding certain lease obligations of SCST equaling \$6.9 million at March 31, 2003.

Asset Backed Securitization Facility

Our ABS facility provides us with additional liquidity and lower borrowing costs through access to the asset backed commercial paper market. By using the ABS facility, we obtain a variable rate based on the A1 commercial paper rate plus a fixed increment for utilization and administration fees. A1 rated commercial paper comprises more than 90 percent of the commercial paper market, significantly increasing our liquidity. We averaged a rate of 2.1 percent on the ABS facility in the first quarter of 2003 compared to a rate of 2.3 percent for the year ended December 31, 2002.

The table below provides the borrowing and repayment activity, as well as the resulting balances, for the periods presented (in millions):

	Three Months Ended March 31, 2003	Twelve Months Ended December 31, 2002
	-----	-----
ABS obligations outstanding at beginning of period	\$ 50.0	\$ 141.5
Transfer of receivables to conduit (borrowings)	85.0	421.5
Redemptions from conduit (repayments)	(85.0)	(513.0)
	-----	-----
ABS obligations outstanding at end of period	\$ 50.0	\$ 50.0

Our ABS facility involves receivables of Yellow Transportation only and has a limit of \$200 million. Under the terms of the agreement, Yellow Transportation provides servicing of the receivables and retains the associated collection risks. Although the facility has no stated maturity, there is an underlying letter of credit with the administering financial institution that has a 364-day maturity. Refer to our Annual Report on Form 10-K for the year ended December 31, 2002 for a further understanding of the process related to the ABS facility.

Cash Flow Measurements

We use free cash flow as a measurement to manage working capital and capital expenditures. Free cash flow indicates excess cash available to fund additional capital expenditures, to reduce outstanding debt, or to invest in our growth strategies. This measurement should not be construed as a better measurement than net cash from operating activities as defined by generally accepted accounting principles. The following table illustrates our calculation for determining free cash flow for the three months ended March 31 (in millions):

	2003	2002
	-----	-----
Net cash from operating activities	\$ 20.1	\$ 48.1
Net change in operating activities of discontinued operations	-	3.1
Accounts receivable securitizations, net	-	(30.5)
Net property and equipment acquisitions	(25.5)	(26.0)
Proceeds from stock options	-	2.0
	-----	-----
Free cash flow	\$ (5.4)	\$ (3.3)

The slight decline of \$2.1 million in free cash flow from the first quarter of 2002 compared to first quarter of 2003 resulted primarily from decreases of accounts payable and other working capital items partially offset by improved operating results and favorable changes in accounts receivable. Other working capital fluctuations resulted primarily from performance incentive accruals, income tax refunds and prefunded benefit contributions.

The items discussed above impact net cash from operating activities in addition to free cash flow. Other variances included in net cash from operating activities were changes in accounts receivable securitizations related to our ABS facility and net operating activities of discontinued operations. In the first quarter of 2002, we reduced ABS obligations by \$30.5 million. In 2003, ABS obligations were reflected as a financing activity on the Statements of Consolidated Cash Flows and had no impact on free cash flow or net cash from operating activities. Changes in operating activities of discontinued operations related to SCST activity until the spin-off in September 2002.

Nonunion Pension Obligations

As discussed in more detail in our Annual Report on Form 10-K for the year ended December 31, 2002, we provide defined benefit pension plans for most employees not covered by collective bargaining agreements, or approximately 4,000 employees. Increases in our pension benefit obligations combined with market losses in 2002 and 2001 negatively impacted the funded status of our plans, resulting in additional funding and expense over the next several years. Based on a recent valuation study from the independent actuary, our actual 2003 pension expense will be approximately \$17 million, significantly less than the \$24 million we expected at December 31, 2002. Cash funding requirements have not changed since December 31, 2002, and will approximate \$35 million in 2003.

Regulatory Changes

In October 2002, the Environmental Protection Agency issued new engine emission standards that apply to heavy-duty vehicles. Yellow Transportation continues to test several units for fuel economy, reliability and performance standards. Although meaningful mileage and test results will not be available until the end of 2003, early results indicate that the engines are performing as expected and will not have a material impact on our capital expenditures or operating expenses in 2003.

CONTRACTUAL OBLIGATIONS AND OTHER COMMERCIAL COMMITMENTS

The following tables provide aggregated information regarding our contractual obligations and commercial commitments as of March 31, 2003.

Contractual Cash Obligations

(amounts in millions)

	Payments Due by Period				Total
	Less than 1 year	2 -- 3 years	4 -- 5 years	After 5 years	
Balance sheet obligations:					
ABS borrowings	\$ 50.0	\$ -	\$ -	\$ -	\$ 50.0
Long-term debt	35.3	21.5	7.0	10.5	74.3
Off-balance sheet obligations:					
Operating leases	1.2	35.5	6.8	6.0	69.5 (1)
Total contractual obligations	\$106.5	\$ 57.0	\$ 13.8	\$ 16.5	\$193.8

(1) The net present value of operating leases, using a discount rate of 10 percent, was \$58.3 million at March 31, 2003.

Other Commercial Commitments

The following table reflects other commercial commitments or potential cash outflows that may result from a contingent event.

(amounts in millions)

	Amount of Commitment Expiration Per Period				Total
	Less than 1 year	2 -- 3 years	4 -- 5 years	After 5 years	
Available line of credit	\$ -	\$147.5 (1)	\$ -	\$ -	\$147.5
Letters of credit	20.1	132.4	-	-	152.5
Lease guarantees for SCST	1.3	3.3	1.9	0.4	6.9
Surety bonds	21.0 (2)	34.6	1.2	0.3	57.1
Total commercial commitments	\$42.4	\$317.8	\$ 3.1	\$ 0.7	\$364.0

(1) The line of credit renews in April 2004. Although we have no assurance we will be able to renew the facility, we expect to begin the renewal process well in advance of the expiration and we believe other sources of funding are readily available.

(2) Includes \$4.6 million of surety bonds for SCST related to property damage and workers' compensation self insurance.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We have exposure to a variety of market risks, including the effects of interest rates, foreign currency exchange rates and fuel prices.

Interest Rate Risk

To provide adequate funding through seasonal business cycles and minimize overall borrowing costs, we utilize both fixed rate and variable rate financial instruments with varying maturities. At March 31, 2003, we had approximately 40 percent of our debt at variable rates with the balance at fixed rates. We use an interest rate swap to hedge our exposure to variable interest rates. We hedged 100 percent of our variable debt under the swap agreement at March 31, 2003.

The table below provides information regarding our interest rate risk as of March 31, 2003. For fixed-rate debt, principal cash flows are stated in millions and weighted average interest rates are by contractual maturity. The fair value of fixed-rate debt has been estimated by discounting the principal and interest payments at current rates available for debt of similar terms and maturity. The fair value of variable-rate debt is estimated to approximate the carrying amounts due to the fact that the interest rates are generally set for periods of three months or less, and is excluded from the following table. For the interest rate swap, the table presents the notional amount (in millions) and contractual interest rate.

	2003	2004	2005	2006	2007	There- After	Total	Fair Value
	-----	-----	-----	-----	-----	-----	-----	-----
Fixed-Rate Debt	\$ 24.3	\$ 16.1	\$ 16.4	\$7.0	\$0.0	\$ 10.5	\$ 74.3	\$ 82.4
Average interest rate	6.00%	6.77%	6.58%	6.71%	-	6.06%		
Interest Rate Swap								
Notional amount	\$ 50.0 (1)	-	-	-	-	-	\$ 50.0	\$ 51.8
Avg. pay rate (fixed)	6.06%	-	-	-	-	-		
Avg. receive rate (variable)	1.28%	-	-	-	-	-		

(1) Interest rate swap on the ABS facility. The variable rate is based on the 3-month LIBOR as of March 31, 2003.

Foreign Currency Exchange Rates

Revenue, operating expenses, assets and liabilities of our Canadian and Mexican subsidiaries are denominated in local currencies, thereby creating exposure to fluctuations in exchange rates. The risks related to foreign currency exchange rates are not material to our consolidated financial position or results of operations.

Fuel Price Volatility

Yellow Transportation has an effective fuel surcharge program in place. These programs are well established within the industry, and customer acceptance of fuel surcharges remains high. Since the amount of fuel surcharge is based on average, national diesel fuel prices and is reset weekly, our exposure to fuel price volatility is significantly reduced.

Item 4. Controls and Procedures

The company maintains a rigorous set of disclosure controls and procedures and internal controls designed to ensure that information required to be disclosed in its filings under the Securities and Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms. The company's principal executive and financial officers have evaluated its disclosure controls and procedures within 90 days prior to the filing of this Quarterly Report on Form 10-Q and have determined that such disclosure controls and procedures are effective.

Subsequent to the evaluation by the company's principal executive and financial officers, there were no significant changes in internal controls or other factors that could significantly affect internal controls, including any corrective actions with regard to significant deficiencies and material weaknesses. However, we are reviewing and making appropriate adjustments to our procedures and controls in response to the issue mentioned in Management's Discussion and Analysis that resulted in an insurance claim under a fidelity policy related to prior years' cargo expenses.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings -- None

Item 2. Changes in Securities and Use of Proceeds -- None

Item 3. Defaults Upon Senior Securities -- None

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

(a) Annual Meeting of Shareholders on April 17, 2003.

(b) The following directors were elected with the indicated number of votes set forth below.

Nominees -----	For ---	Withheld -----
Cassandra C. Carr	26,029,128	153,858
Howard M. Dean	25,181,780	1,001,206
Dennis E. Foster	26,032,008	150,978
John C. McKelvey	26,028,245	154,741
William L. Trubeck	25,535,456	647,530
Carl W. Vogt	26,031,446	151,540
William D. Zollars	25,928,572	254,414

(c) Votes were cast with respect to the ratification and approval of the selection of KPMG LLP as independent public accountants for 2003:

For: 25,793,864 Against: 358,624 Abstain: 30,498

Item 5. Other Information - None

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

3.2 Bylaws

10.1 Amendments to Amended and Restated Receivables Purchase Agreement dated July 30, 1999.

99.1 Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

99.2 Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

(b) Reports on Form 8-K

On January 7, 2003, a Form 8-K was filed under Item 5, Other Events, which reported that on December 31, 2002, the company amended its asset backed securitization (ABS) facility. As a result of the amendment, the ABS facility is reflected on the Consolidated Balance Sheets of Yellow Corporation.

On January 17, 2003, a Form 8-K was filed under Item 9, Regulation FD Disclosure, which reported that the company successfully concluded its biennial Transformation Conference held in Las Vegas. Approximately 1,500 industry professionals including about 500 Yellow customers and sponsors attended the conference. The company incurred approximately \$4.0 million to host the conference.

On February 6, 2003, a Form 8-K was filed under Item 9, Regulation FD Disclosure, which stated that the members of the Motor Freight Carrier Association, including Yellow Transportation, Inc., and negotiators for the International Brotherhood of Teamsters (IBT) held a joint press conference that afternoon to announce that they reached a tentative

agreement on a new National Master Freight Agreement, pursuant to which Yellow Transportation employs its IBT members. The tentative agreement was subject to ratification by the union membership.

On March 3, 2003, a Form 8-K was filed under Item 5, Other Events, and Item 9, Regulation FD Disclosure, which announced that the company's board of directors had approved a stock repurchase program that authorizes the company to repurchase up to \$25 million of common stock. The company also reconfirmed its first quarter 2003 and full year 2003 earnings guidance.

On April 1, 2003, a Form 8-K was filed under Item 5, Other Events, which announced that on March 28, 2003, the membership of the IBT ratified the National Master Freight Agreement. The five-year agreement is effective on April 1, 2003, and covers approximately 80 percent of Yellow Transportation employees.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

YELLOW CORPORATION

Registrant

Date: May 2, 2003

/s/ William D. Zollars

William D. Zollars
Chairman of the Board of
Directors, President & Chief
Executive Officer

Date: May 2, 2003

/s/ Donald G. Barger, Jr.

Donald G. Barger, Jr.
Senior Vice President
& Chief Financial Officer

CERTIFICATION

I, William D. Zollars, certify that:

- (1) I have reviewed this quarterly report on Form 10-Q of Yellow Corporation;
- (2) Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
- (3) Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
- (4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:
 - a. designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
 - b. evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and
 - c. presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
- (5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors:
 - a. all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and
- (6) The registrant's other certifying officer and I have indicated in this report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: May 2, 2003

/s/ William D. Zollars

William D. Zollars
Chairman of the Board of
Directors, President & Chief
Executive Officer

CERTIFICATION

I, Donald G. Barger, Jr., certify that:

- (1) I have reviewed this quarterly report on Form 10-Q of Yellow Corporation;
- (2) Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
- (3) Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
- (4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:
 - a. designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
 - b. evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and
 - c. presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
- (5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors:
 - a. all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and
- (6) The registrant's other certifying officer and I have indicated in this report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: May 2, 2003

/s/ Donald G. Barger, Jr.

Donald G. Barger, Jr.
Senior Vice President
& Chief Financial Officer

YELLOW CORPORATION
BYLAWS

(As Amended through April 17, 2003)

ARTICLE I
STOCKHOLDERS

SECTION 1. ANNUAL MEETING

An annual meeting of the stockholders, for the election of directors to succeed those whose terms expire and for the transaction of such other business as may properly come before the meeting, shall be held on such date in April and at such location and time of day as the Board of Directors shall each year fix.

SECTION 2. SPECIAL MEETINGS

Special meetings of the stockholders, for any purpose or purposes prescribed in the notice of the meeting, may be called by the Chairman of the Board, Chief Executive Officer or a majority of the Board of Directors and shall be held at the principal office of the company in Overland Park, Kansas on such date, and at such time as they shall fix.

SECTION 3. NOTICE OF MEETING

Written notice of the place, date and time of all meetings of the stockholders shall be given, not less than ten nor more than sixty days before the date on which the meeting is to be held, to each stockholder entitled to vote at such meeting, except as otherwise provided herein or required by law (meaning, here and hereinafter, as required from time to time by the General Corporation Law of the State of Delaware or the Certificate of Incorporation).

When a meeting is adjourned to another date or time, written notice need not be given of the adjourned meeting if the place, date and time thereof are announced at the meeting at which the adjournment is taken; provided, however, that if the date of any adjourned meeting is more

than fourteen days after the date for which the meeting was originally notice, or if a new record date is fixed for the adjourned meeting, written notice of the place, date and time of the adjourned meeting shall be given in conformity herewith. At any adjourned meeting any business may be transacted which might have been transacted at the original meeting.

SECTION 4. QUORUM

At any meeting of the stockholders, the holders of a majority of the outstanding shares (exclusive of treasury stock) of each class of stock entitled to vote at the meeting, present in person or by proxy, shall constitute a quorum for the transaction of any business, unless or except to the extent that the presence of a larger number may be required by law.

If a quorum shall fail to attend any meeting, the chairman of the meeting or the holders of a majority of the shares of the stock entitled to vote who are present, in person or by proxy, may adjourn the meeting to another date or time.

If a notice of any adjourned special meeting of stockholders is sent to all stockholders entitled to vote thereat, stating that it will be held with those present constituting a quorum, then except as otherwise required by law, those present at such adjourned meeting shall constitute a quorum, and all matters shall be determined by a majority of the votes cast at such meeting.

SECTION 5. ORGANIZATION

The Chairman of the Board or, in his absence, the Chief Executive Officer, shall call to order any meeting of the stockholder and act as chairman of the meeting and the Secretary or Assistant Secretary shall act as secretary of the meeting. In the absence of the Secretary or Assistant Secretary of the Corporation, the secretary of the meeting shall be such person as the chairman appoints.

SECTION 6. CONDUCT OF BUSINESS

At an annual meeting of the stockholders, only such business may be conducted as shall have been properly brought before the meeting. To be properly brought before an annual meeting business must be (a) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors, (b) otherwise properly brought before the meeting by or at the direction of the Board of Directors, or (c) otherwise properly brought before the meeting by a stockholder.

For business to be properly brought before an annual meeting by a stockholder, the stockholder must have given timely notice thereof in proper written form to the Secretary of the Corporation. To be timely, a stockholder's notice must be received at the principal executive offices of the Corporation not less than 60 days nor more than 90 days prior to the meeting; provided, however, that in the event that less than 70 days' notice or prior public disclosure of the date of the meeting is given or made to stockholders, notice by the 10th day following the day on which such notice of the date of the annual meeting was mailed or such public disclosure was made.

To be in proper written form, a stockholder's notice to the Secretary shall set forth as to each matter the stockholder proposes to bring before the annual meeting (a) a brief description of the business at the annual meeting, (b) the name and address, as they appear on the Corporation's books, of the stockholder proposing such business, (c) the class and number of shares of the Corporation which are beneficially owned by the stockholder, and (d) any material interest of the stockholder in such business.

Notwithstanding anything in the Bylaws to the contrary, no business shall be conducted at any annual meeting unless it has been properly brought before the meeting. The Chairman of the annual meeting shall determine whether business has been properly brought before the meeting in accordance with the provisions of this Section 6. If he should determine that it has not, he shall so declare to the meeting. Any business not properly brought before the meeting shall not be transacted.

SECTION 7. PROXIES AND VOTING

At any meeting of the stockholders, every stockholder entitled to vote may vote in person or by proxy authorized by an instrument in writing filed in accordance with the procedure established for the meeting.

Each stockholder shall have one vote for every share of stock entitled to vote which is registered in his name on the record date for the meeting, except as otherwise required by law or provided in the Certificate of Incorporation or these Bylaws.

All voting, except on the election of directors and where otherwise required by law, may be by a voice vote; provided, however, that upon demand therefor by a stockholder entitled to vote or his proxy, a stock vote shall be taken. Every stock vote shall be taken by ballot, each of which shall state the name of the stockholder or proxy voting and such other information as may be required under the procedure established for the meeting. Every vote taken by ballot shall be counted by an inspector or inspectors appointed by the chairman of the meeting.

All elections shall be determined by a plurality of the votes cast, and except as otherwise required by law or provided in the Certificate of Incorporation or these Bylaws, all other matters shall be determined by a majority of the votes cast.

SECTION 8. NOTICE OF NOMINATION

Nominations for the election of directors may be made by the Board of Directors or by any stockholder entitled to vote for the election of directors. Such nominations shall be made by notice in writing, delivered or mailed by first class United States mail, postage prepaid, to the Secretary of the Corporation not less than 14 days nor more than 50 days prior to any meeting of the stockholders called for the election of directors; provided, however, that if less than 21 days' notice of the meeting is given to stockholders, such written notice shall be delivered or mailed, as prescribed, to the Secretary of the Corporation not later than the close of the seventh day following the day on which notice of the meeting was mailed to stockholders. Notice of nominations which are proposed by the Board of Directors shall be given by the Chairman on behalf of the Board.

Each notice under the above paragraph shall set forth (i) the name, age, business address and, if known, residence address of each nominee proposed in such notice, (ii) the principal occupation or employment of each such nominee and (iii) the number of shares of stock of the Corporation which are beneficially owned by each such nominee.

The Chairman of the meeting may, if the facts warrant, determine and declare to the meeting that a nomination was not made in accordance with the foregoing procedure, and if he should so determine, he shall so declare to the meeting and the defective nomination shall be disregarded.

SECTION 9. STOCK LIST

A complete list of stockholders entitled to vote at any meeting of stockholders, arranged in alphabetical order for each class of stock and showing the address of each such stockholder

and the number of shares registered in his name shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours for a period of at least ten (10) days prior to the meeting, either at a place within the metropolitan area where the meeting is to be held, which place shall be specified in the notice of the meeting, or if not so specified, at the place where the meeting is to be held.

The stock list shall also be kept at the place of the meeting during the whole time thereof and shall be open to the examination of any such stockholder who is present. This list shall presumptively determine the identify of the stockholders entitled to vote at the meeting and the number of shares held by each of them.

ARTICLE II
BOARD OF DIRECTORS

SECTION 1. DIRECTORS

A. NUMBER AND TERM OF OFFICE

The number of directors who shall constitute the whole board shall be seven. Each director shall hold office until his successor is elected and qualified or until his earlier resignation, removal from office or death except as otherwise provided herein or required by law.

Whenever the authorized number of directors is increased between annual meetings of the stockholders, a majority of the directors then in office shall have the power to elect such new directors for the balance of a term and until their successors are elected and qualified. Any decrease in the authorized number of directors shall not become effective until the expiration of the term of the directors then in office unless, at the time of such decrease, there shall be vacancies on the board which are being eliminated by the decrease.

B. CHAIRMAN OF THE BOARD

The Board of Directors shall elect a member of the Board of Directors as Chairman of the Board of Directors (the "Chairman of the Board" or "Chairman") at its first meeting after every annual meeting of stockholders. The Chairman of the Board shall hold office until his successor is elected and qualified or until his earlier resignation, removal from office (as Chairman or director) or death except as otherwise required by law.

The Chairman of the Board shall preside over all meetings of the Board of Directors and meetings of the shareholders and shall undertake such other tasks as he and the Board of Directors shall agree. The Chairman may also serve as an officer with respect to any of the offices described in Article IV hereof, however, the Chairman, solely in his capacity as Chairman of the Board, shall not be deemed an officer of the Corporation.

SECTION 2. VACANCIES

If the office of any director becomes vacant by reason of death, resignation, disqualification, removal or other cause, a majority of the directors remaining in office, although less than a quorum, may elect a successor for the unexpired term and until his successor is elected and qualified.

SECTION 3. RESIGNATION AND REMOVALS

No person who is concurrently a director and an employee of the Corporation shall be qualified to serve as a director of the Corporation from and after the time of any diminution in such person's duties or responsibilities as an officer, the time they leave the employ of the Corporation for any reason or their 72nd birthday; provided, that if any such person resigns from the Board of Directors upon such event, such person shall thereafter be deemed qualified to serve

as a director of the Corporation for so long as such person is otherwise qualified to so serve pursuant to the following sentence. No person shall be qualified to serve as a director of the Corporation on or after the date of the annual meeting of stockholders following:

(a) the director's 72nd birthday;

(b) any fiscal year in which he has failed to attend at least 66% of the meetings of the Board of Directors and any committees of the Board of Directors on which such director serves, when such Board and committee meetings are taken on a collective basis; or

(c) the three month anniversary of any change in his employment (other than a promotion or lateral movement within the same organization); provided that such a person shall be deemed to be qualified to serve as a director if so determined by a majority of the members of the whole Board (excluding the director whose resignation would otherwise be required) if the Board in its judgment determines that such waiver would be in the best interest of the Corporation. A director shall offer the director's retirement or resignation effective as of the annual meeting of stockholders following any of those events.

A director may be removed only for cause by a majority vote of the stockholders entitled to vote for the election of directors. If the Chairman, pursuant to the preceding sentence, is removed from his office as director, such removal shall also constitute his removal as Chairman of the Board. The Chairman of the Board may be removed as Chairman (but not as director) at any time, with or without cause, by a majority vote of the Board of Directors. "For cause" shall mean only such circumstances as described in the last paragraph of Article FIFTH of the Corporation's Certificate of Incorporation.

SECTION 4. REGULAR MEETINGS

Regular meetings of the Board of Directors shall be held at such place or places, on such date or dates, and at such time or times as shall have been established by the Board of Directors and publicized among all directors. A notice of each regular meeting shall not be required.

SECTION 5. SPECIAL MEETINGS

Special meetings of the Board of Directors shall be called upon written request of two directors then in office or by the Chairman of the Board and shall be held at such place, on such date, and at such time as they or he shall fix. Notice of the place, date and time of each such special meeting shall be given each director by whom it is not waived by mailing written notice not less than three days before the meeting or by telegraphing the same not less than eighteen hours before the meeting. Unless otherwise indicated in the notice thereof, any and all business may be transacted at a special meeting.

SECTION 6. QUORUM

At any meeting of the Board of Directors, one-third of the total number of the whole board, but not less than two, shall constitute a quorum for all purposes. If a quorum shall fail to attend any meeting, a majority of those present may adjourn the meeting to another place, date, or time, without further notice or waiver thereof.

SECTION 7. PARTICIPATION IN MEETINGS BY CONFERENCE TELEPHONE

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

taken by Directors at such a meeting shall have the same force and effect as if taken at a meeting duly called and attended in person by the Directors.

SECTION 8. CONDUCT OF BUSINESS

At any meeting of the Board of Directors, business shall be transacted in such order and manner as the Board may from time to time determine, and all matters shall be determined by the vote of a majority of the directors present, except as otherwise required by law or provided in the Certificate of Incorporation or these Bylaws. Action may be taken by the Board of Directors without a meeting if all members thereof consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board of Directors.

SECTION 9. POWERS

The Board of Directors may, except as otherwise required by law, exercise all such powers and do all such acts and things as may be exercised or done by the Corporation, including, without limiting the generality of the foregoing, the unqualified power:

1. To declare dividends from time to time in accordance with law;
2. To purchase or otherwise acquire any property, rights or privileges on such terms as it shall determine;
3. To authorize the creation, making and issuance, in such form as it may determine, of written obligations of every kind, negotiable or non-negotiable, secured or unsecured, and to do all things necessary in connection therewith;

4. To remove any officer of the Corporation with or without cause, and from time to time transfer the powers and duties of any officer to any other person for the time being;

5. To confer upon any officer of the Corporation the power to appoint, remove and suspend subordinate officers and agents;

6. To adopt from time to time such stock option, stock purchase, bonus or other compensation plans for officers and agents of the Corporation and its subsidiaries as it may determine;

7. To adopt from time to time such insurance, retirement, and other benefit plans for officers and agents of the Corporation and its subsidiaries as it may determine;

8. To adopt from time to time regulations, not inconsistent with these bylaws, for the management of the Corporation's business and affairs; and

9. To adopt from time to time an order of succession designating the officers to perform the duties and exercise the powers of the president in the event of the President's absence, death, inability or refusal to act.

SECTION 10. COMPENSATION OF DIRECTORS

Directors, as such, may receive, pursuant to resolution of the Board of Directors, fixed fees and other compensation for their services as directors, including, without limitation, their services as members of committees of the directors.

ARTICLE III
COMMITTEES

SECTION 1. COMMITTEE OF THE BOARD OF DIRECTORS

The Board of Directors, by resolution, may from time to time designate committees of the Board, each of which shall have the respective powers and duties necessary or proper to carry out the purposes for which appointed, to serve at the pleasure of the board and shall, for those committees and any others provided for herein, elect a director or directors to serve as the member or members, designating, if it desires, other directors as alternative members who may replace any absent or disqualified member at any meeting of the committee. Any committee so designated may exercise the power and authority of the Board of Directors to declare a dividend or to authorize the issuance of stock if the resolution which designates the committee or a supplemental resolution of the Board of Directors shall so provide. In the absence or disqualification of any members of the committee present at the meeting and not disqualified from voting, whether or not he or they constitute a quorum, may by unanimous vote appoint another member of the Board of Directors to act at the meeting in the place of the absent or disqualified member.

SECTION 2. CONDUCT OF BUSINESS

Each committee may determine the procedural rules for meeting and conducting its business and shall act in accordance therewith, except as otherwise provided herein or required by law. Adequate provision shall be made for notice to members, which may be by telephone or telegraph, of all meeting; one-third of the members shall constitute a quorum unless the committee shall consist of one or two members, in which event one member shall constitute a quorum; and all matter shall be determined by a majority vote of the members present. Action

may be taken by any committee without a meeting if all members thereof consent in writing, and the writing or writings are filed with the minutes of the proceedings of such committee.

ARTICLE IV
OFFICERS

SECTION 1. GENERALLY

The officers of the Corporation shall consist of a Chief Executive Officer, a President (who may be, but need not be, the Chief Executive Officer), a Secretary and Treasurer. The Board of Directors may elect such additional officers as it deems necessary, including vice presidents, assistant secretaries and assistant treasurers. Officers shall be elected by the Board of Directors, which shall consider that subject at its first meeting after every annual meeting of stockholders. Each officer shall hold his office until his successor is elected and qualified or until his earlier resignation or removal. Any number of offices may be held by the same person.

SECTION 2. CHIEF EXECUTIVE OFFICER

The Chief Executive Officer shall be the senior officer of the Corporation and shall be responsible in general for the supervision and control of all the business and affairs of the Corporation.

SECTION 3. PRESIDENT

If the Board of Directors elects a Chief Executive Officer who is not the President, the President shall act in the place of the Chief Executive Officer in his absence or in the event of his death, inability or refusal to act. He shall perform all duties and have all powers which are delegated to him by the Board of Directors or Chief Executive Officer. He shall have power to sign all stock certificates, contracts and other instruments of the Corporation which are authorized. In the event of the absence, death, inability or refusal to act of the President, the

officer designated by the Board of Directors shall perform the duties and exercise the powers of the President.

If the Board of Directors does not elect a Chief Executive Officer, the President shall also perform the duties and exercise the powers of the Chief Executive Officer.

SECTION 4. VICE PRESIDENT

Each vice president shall perform such duties as the Board of Directors shall prescribe.

SECTION 5. TREASURER

The Treasurer shall have charge and custody of all monies and securities of the Corporation, shall in general perform all of the duties commonly incident to the office of Treasurer, and shall perform such other duties as may be assigned him by the Chief Executive Officer, President, or Board of Directors. He shall make such disbursements of the funds of the Corporation as are proper and shall render from time to time an account of all such transactions and of the financial condition of the Corporation.

SECTION 6. SECRETARY

The secretary shall issue all authorized notices for, and shall keep minutes of, all meetings of the stockholders and the Board of Directors. He shall have charge of the corporate minute books.

SECTION 7. DELEGATION OF AUTHORITY

The Board of Directors may from time to time delegate the powers or duties of any officer to any other officers or agents, notwithstanding any provision hereof.

SECTION 8. REMOVAL

Any officer of the Corporation may be removed at any time, with or without cause, by the Board of Directors.

SECTION 9. ACTION WITH RESPECT TO SECURITIES OF OTHER CORPORATIONS

Unless otherwise directed by the Board of Directors, the Chief Executive Officer shall have power to vote and otherwise act on behalf of the Corporation, in person or by proxy, at any meeting of stockholders of or with respect to any action of stockholders of any other corporation in which this Corporation may hold securities and otherwise to exercise any and all rights and powers which this Corporation may possess by reason of its ownership of securities in such other corporation.

ARTICLE V
INDEMNIFICATION OF DIRECTORS, OFFICERS, AND OTHERS

SECTION 1. RIGHT TO INDEMNIFICATION

a. Each person who was or is made a party or is threatened to be made a party to or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative ("proceeding"), by reason of the fact that he or she or a person for whom he or she is the legal representative is or was a director, officer or employee or agent of another corporation, or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, whether the basis of such proceeding is alleged action in an official capacity as a director, officer, employee or agent shall be indemnified and held harmless by the corporation to the fullest extent authorized by the Delaware General Corporation Law, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent such amendment permits the corporation to provide broader indemnification

rights than said law permitted the corporation to provide prior to such amendment) against all expenses, liability and loss (including attorney's fees, judgments, fines, ERISA excise taxes or penalties and amounts paid or to be paid in settlement) reasonably incurred or suffered by such person in connection therewith; provided, however, that with respect to any agent or employee, to the extent any such expenses, liabilities or losses are covered by insurance, other than insurance maintained by the corporation, the corporation shall be required to indemnify and hold harmless such agent or employee only to the extent that such expenses, liabilities or losses are not covered by such insurance. Such right shall be a contract right and shall include the right to be paid by the corporation expenses incurred in defending any such proceedings in advance of its final disposition; provided, however, that the payment of such expenses incurred by a director or officer of the corporation in his or her capacity as a director or officer (and not in any other capacity in which service was or is rendered by such person while a director or officer, including, without limitation, service to an employee benefit plan) in advance of the final disposition of such proceeding, shall be made only upon delivery to the corporation of an undertaking, by or on behalf of such director or officer, to repay all amounts so advanced if it should be determined ultimately that such director or officer is not entitled to be indemnified under this section or otherwise.

b. Any person who is or was an agent of the corporation, and who would be entitled to be indemnified by the corporation under the circumstances set forth in Section 1(a) but for the fact that such person is not or was not a director, officer or employee of the corporation, may be indemnified by the corporation (but shall not be entitled to be indemnified by the corporation) in a specific case to all or part of the extent set forth in Section 1 (a), if the Board of Directors determines that it is in the best interests of the corporation

to grant such indemnity. Authorization for such indemnity and the extent thereof shall be determined by majority vote of a quorum of the Board of Directors.

SECTION 2. RIGHT OF CLAIMANT TO BRING SUIT

If a claim under Section 1 is not paid in full by the corporation within 90 days after a written claim has been received by the corporation, the claimant may at any time thereafter bring suit against the corporation to recover the unpaid amount of the claim, and if successful in whole or in part, the claimant shall be entitled to be paid also the expenses of prosecuting such claim. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking has been tendered to the corporation) that the claimant has not met the standards of conduct which make it permissible under the Delaware General Corporation Law for the corporation to indemnify the claimant for the amount claimed, but the burden of proving such defense shall be on the corporation. Neither the failure of the corporation (including its Board of Directors, independent legal counsel, or its stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he or she has met the applicable standard of conduct set forth in the Delaware General Corporation Law, nor an actual determination by the corporation (including its Board of Directors, independent legal counsel, or its stockholders) that the claimant had not met such applicable standard of conduct, shall be a defense to the action or create a presumption that claimant had not met the applicable standard of conduct.

SECTION 3. NON-EXCLUSIVITY OF RIGHTS

The rights conferred by Sections 1 and 2 shall not be exclusive of any other right which such person may have or hereafter acquire under any statute, provision of the Certificate of Incorporation, bylaw, agreement, vote of stockholders or disinterested directors or otherwise.

SECTION 4. INSURANCE

The corporation may maintain insurance, at its expense, to protect itself and any such director, officer, employee or agent of the corporation or another corporation, partnership, joint venture, trust or other enterprise against any such expense, liability or loss, whether or not the corporation would have the power to indemnify such person against such expense, liability or loss under the Delaware General Corporation Law.

SECTION 5.

For purposes of this Article, reference to "other enterprise" shall include entities of any kind, including associations, rate bureaus and conferences.

ARTICLE VI
STOCK

SECTION 1. CERTIFICATE OF STOCK

Shares of the stock of the Corporation may be represented by certificates or uncertificated. Owners of shares of the stock of the Corporation shall be recorded in the share register of the Corporation, and ownership of such shares shall be evidenced by a certificate or book-entry notation in the share register of the Corporation. Any certificates representing such shares shall be signed by, or in the name of the Corporation by, the chairman or vice chairman of the Board of Directors, or the president or a vice president, and by the secretary or any assistant secretary, if one be appointed, or the treasurer or an assistant treasurer of the Corporation,

certifying the number of shares represented by the certificate owned by such stockholder in the Corporation. Any or all of the signatures on the certificate may be facsimile.

SECTION 2. TRANSFERS OF STOCK

Upon surrender to the Corporation, or the transfer agent of the Corporation, of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignation or authority to transfer, it shall be the duty of the Corporation to issue a new certificate or other evidence of such new shares to the person entitled thereto, cancel the old certificate and record the transaction upon its books. Uncertificated shares shall be transferred in the share register of the Corporation upon the written instruction originated by the appropriate person to transfer the shares.

SECTION 3. TRANSFER AND CHANGE OF ADDRESS

Title to a certificate and to the shares represented thereby can be transferred only:

(1) By delivery of the certificates, endorsed either in blank or to a specific person, by the person appearing in the certificate to be the owner of the shares represented thereby; or

(2) By delivery of the certificate and a separate document containing a written assignment of the certificate or a power of attorney to sell, assign or transfer the same of the shares represented thereby, signed by the person appearing by the certificates to be the owner of the shares represented thereby. Such assignment or power of attorney may be either in blank or to a specified person.

SECTION 4. CHANGE OF ADDRESS

Stockholders shall be responsible for notifying in writing the secretary, or the transfer agent or registrar as the case may be, if appointed by resolution of the Board, of any changes in their addresses from time to time, and failure to do so shall relieve the Corporation, its shareholders, directors, officers and the transfer agent and/or registrar, if any, of liability, for failure to direct notices, dividends, or other documents or property to an address other than the one appearing in the records of the secretary, or, if appointed, the transfer agent or registrar.

SECTION 5. RECORD DATE

The Board of Directors may fix a record date, which shall not be more than sixty or less than ten days before the date of any meeting of stockholders, nor more than sixty days prior to the time for the other action hereinafter described, as of which there shall be determined the stockholders who are entitled: to notice of or to vote at any meeting of stockholders or any adjournment thereof; to receive payment of any dividend or other distribution or allotment of any rights; or to exercise any rights with respect to any change, conversion or exchange of stock with respect to any other lawful action.

SECTION 6. LOST, STOLEN OR DESTROYED CERTIFICATES

In the event of the loss, theft or destruction of any certificate of stock, another may be issued in its place pursuant to such regulations as the board of directors may establish concerning proof of such loss, theft or destruction and concerning the giving of a satisfactory bond or bonds of indemnity.

SECTION 7. REGULATIONS

The issue, transfer, conversion and registration of certificates of stock shall be governed by such other regulations as the Board of Directors may establish.

SECTION 8. REGISTERED STOCKHOLDER

The Corporation shall be entitled to treat the holder of record of any share or shares of stock as the holder in fact hereof and, accordingly, shall not be bound to recognize any equitable or other claim or interest in such share on the part of any other person, whether or not it shall have express or other notice thereof, save as expressly provided by the laws of the State of Delaware.

ARTICLE VII
NOTICES

SECTION 1. NOTICES

Whenever notice is required to be given to any stockholder, director, officer, or agent, such requirement shall not be construed to mean personal notice. Such notice may in every instance be effectively given by depositing a writing in a post office or letter box, in a postpaid, sealed wrapper, or by dispatching a prepaid telegram, addressed to such stockholder, director, officer, or agent at his or her address as the same appears on the books of the Corporation. The time when such notice is dispatched shall be at the time of the giving of the notice.

SECTION 2. WAIVERS

A written waiver of any notice, signed by a stockholder, director, officer, or agent, whether before or after the time of the event for which notice is to be given, shall be deemed equivalent to the notice required to be given to such stockholders, director, officer, or agent. Neither the business nor the purpose of any meeting need be specified in such a waiver.

ARTICLE VIII
MISCELLANEOUS

SECTION 1. FACSIMILE SIGNATURES

In addition to the provisions for the use of facsimile signatures elsewhere specifically authorized in these Bylaws, facsimile signatures of any officer or officers of the Corporation may be used whenever and as authorized by the Board of Directors or a committee thereof.

SECTION 2. CORPORATE SEAL

The Board of Directors may provide a suitable seal, containing the name of the Corporation, which seal shall be in charge of the secretary. If and when so directed by the Board of Directors or a committee thereof, duplicates of the seal may be kept and used by the treasurer or by the assistant secretary or assistant treasurer.

SECTION 3. RELIANCE UPON BOOKS, REPORTS AND RECORDS

Each director, each member of any committee designated by the Board of Directors, and each officer of the Corporation shall, in the performance of his duties, be fully protected in relying good faith upon the books of accounts or other records of the Corporation, including reports made to the Corporation by any of its officers, by an independent certified public accountant, or by an appraiser with reasonable care.

SECTION 4. FISCAL YEAR

The fiscal year of the Corporation shall be as fixed by the Board of Directors.

SECTION 5. TIME PERIODS

In applying any provisions of these Bylaws which require that an act be done or not done a specified number of days prior to an event or that an act be done during a period of a specified

number of days after an event, calendar days shall be used, the day of the doing of the act shall be excluded and the day of the event shall be included.

ARTICLE IX
AMENDMENTS

SECTION 1. AMENDMENTS

These Bylaws may be amended or repealed, or new bylaws may be adopted (a) by the affirmative vote of seventy-five percent of the shares issued and outstanding and entitled to vote at any annual or special meeting of stockholders; provided that the notice of such meeting of stockholders whether regular or special, shall specify as one of the purposes thereof the making of such amendment or repeal; or (b) by telling the affirmative vote of the majority of the Board of Directors at any regular or special meeting.

AMENDMENT NO. 1 TO RECEIVABLES SALE AGREEMENT

THIS AMENDMENT NO. 1 (this "Amendment") is entered into as of July 30, 1999 by and between YELLOW FREIGHT SYSTEM, INC., an Indiana corporation (the "Originator"), and YELLOW RECEIVABLES CORPORATION, a Delaware corporation (the "Buyer"), with respect to that certain RECEIVABLES SALE AGREEMENT, dated as of August 2, 1996 by and between the Originator and the Buyer (the "Existing Agreement"). Unless defined elsewhere herein, capitalized terms used in this Agreement shall have the meanings assigned to such terms in the Existing Agreement.

FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, the Originator and the Buyer hereby agree as follows:

1. Section 2.1 of the Existing Agreement is hereby amended to add the following new clause (t) thereto:

(t) Year 2000. The Originator (i) has reviewed the areas within its business and operations which could be adversely affected by the Year 2000 Problem, (ii) has developed a Year 2000 Plan to address the Year 2000 Problem on a timely basis, (iii) is taking all actions necessary to meet the schedule and goals of the Year 2000 Plan and (iv) has established adequate reserves to implement the Year 2000 Plan. The Originator does not reasonably anticipate that the Year 2000 Problem could have a Material Adverse Effect.

2. Section 7.1 of the Existing Agreement is hereby amended to add the following new clause (ix) thereto:

(xi) the Year 2000 Problem.

3. Exhibit I to the Existing Agreement is hereby amended to add the following new definitions thereto in the appropriate alphabetical order:

"YEAR 2000 PLAN" means a plan to prevent the Year 2000 Problem from having an adverse effect upon the business, financial condition, operations, property or prospects of a Person.

"YEAR 2000 PROBLEM" means, with respect to the Originator, the risk that computer applications directly used by it cannot or will not: (a) handle date information involving any and all dates before, during and/or after January 1, 2000, including accepting input, providing output and performing date calculations in whole or in part; (b) operate accurately without interruption on and in respect of any and all dates before, during and/or after January 1, 2000; and (c) store and provide date input information without creating any ambiguity as to the century.

4. Except as expressly amended hereby, the Existing Agreement is hereby ratified and confirmed.

5. This Amendment shall become effective when counterparts hereof have been duly executed by the Originator and the Buyer and delivered to the Agent.

6. THIS AMENDMENT SHALL BE CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS (AND NOT THE LAW OF CONFLICTS) OF THE STATE OF ILLINOIS.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered by their duly authorized officers as of the date hereof.

YELLOW FREIGHT SYSTEM, INC.

By: _____
Name:
Title:

YELLOW RECEIVABLES CORPORATION

By: _____
Name:
Title:

CONSENTED TO AS OF THE DATE FIRST ABOVE WRITTEN:

THE FIRST NATIONAL BANK OF CHICAGO, as Agent

By: _____
Authorized Signatory

AMENDMENT NO. 1 TO AMENDED AND RESTATED RECEIVABLES PURCHASE AGREEMENT

This Amendment No. 1 (the "Amendment") is dated as of July 28, 2000 among Yellow Receivables Corporation (the "Seller"), the Investors, Falcon Asset Securitization Corporation ("FALCON") and Bank One, NA (formerly known as The First National Bank of Chicago), as agent (the "Agent").

W I T N E S S E T H :

WHEREAS, the Seller, the Investors, FALCON and the Agent are parties to that certain Amended and Restated Receivables Purchase Agreement dated as of July 30, 1999 (the "Agreement"); and

WHEREAS, the Seller, the Investors, FALCON and the Agent desire to amend (i) the Agreement and (ii) the Fee Letter in certain respects more fully described hereinafter;

NOW, THEREFORE, in consideration of the premises herein contained, and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto hereby agree as follows:

1. Defined Terms. Capitalized terms used herein and not otherwise defined shall have their meanings as attributed to such terms in the Agreement.

2. Amendments to the Agreement.

2.1. Amendment to Section 7.1(i). Section 7.1(i) of the Agreement is hereby amended by deleting the percentage "2.75%" where it appears therein and inserting the percentage "2.5%" in lieu thereof.

2.2. Amendment to Section 5.1(m). Section 5.1(m) of the Agreement is hereby amended by deleting the phrase "Outstanding Balance of the Receivables" where it appears therein and inserting the phrase "Purchase Limit" in lieu thereof.

2.3. Amendment to definition of Aggregate Reserve Percentage. The definition of "Aggregate Reserve Percentage" appearing in Exhibit I to the Agreement is hereby amended in its entirety to read as set forth below:

"Aggregate Reserve Percentage" means, (i) on any date of determination on which the senior unsecured debt of Yellow Corporation is rated at least BBB- by Standard & Poor's Ratings Group and Baa3 by Moody's Investors Service, Inc., the greater of (a) the sum of the Loss Reserve Percentage, the Discount Reserve Percentage and the Servicer Fee Percentage, each as then in effect, and (b) 10%; and (ii) on any date of determination which the senior unsecured debt of Yellow Corporation has ceased to be rated at least BBB- by Standard & Poor's Ratings Group and Baa3 by Moody's Investors Service, Inc., the greater of (a) the sum of the

Loss Reserve Percentage, the Dilution Reserve Percentage, the Discount Reserve Percentage and the Servicer Fee Percentage, each as then in effect, and (b) 20%."

2.4. Addition of Certain Definitions. Exhibit I to the Agreement is hereby amended by adding the following definitions thereto:

"`Dilution Horizon Ratio' means, on any date of determination: (i) the aggregate amount of Receivables generated during the 4-month period then most recently ended, divided by (ii) the Net Receivables Balance on such date."

"`Dilution Reserve Percentage' means, on any date of determination, the percentage determined pursuant to the following formula:

$$\{(2.00 \times ED) + [(DS - ED) \times (DS/ED)]\} \times DHR$$

where:

ED = the Expected Dilution on such date;
DS = the Dilution Spike as of such date; and
DHR = the Dilution Horizon Ratio on such date."

"`Dilution Ratio' means, as of the last day of any calendar month, a percentage equal to (i) the aggregate amount of Dilutions which occurred during such month, divided by (ii) the aggregate amount of Receivables generated by the Originator 4 months prior to such month."

"`Dilution Reserve' means, on any date, an amount equal to (i) the Dilution Reserve Percentage, multiplied by (ii) the Net Receivables Balance as of the opening of business of the Servicer on such date."

"`Dilution Spike' means, on any date of determination, the highest Dilution Ratio for any month during the 12 months then most recently ended."

"`Dilutions' means, at any time, the aggregate amount of reductions in the Outstanding Balances of the Receivables as a result of any setoff, discount, adjustment or otherwise, other than cash Collections on account of the Receivables."

"`Expected Dilution' means, on any date of determination, the average of the Dilution Ratios for the 12 months then most recently ended."

2.5. Amendment to the definition of Liquidity Termination Date. The definition of "Liquidity Termination Date" appearing in Exhibit I to the Agreement is hereby amended by deleting the date "July 30, 2000" where it appears therein and inserting the date "July 29, 2001" in lieu thereof.

2.6. Amendment to Increase Commitment Amount. The signature pages to the Agreement are amended to delete the amounts set forth thereon in the column entitled

"COMMITMENT" and to substitute therefor the respective amounts set forth on the signature pages to this Amendment.

2.7. Amendment to the Definition of Purchase Limit. The definition of "Purchase Limit" is hereby amended by deleting the amount "\$175,000,000" where it appears therein and inserting the amount "\$200,000,000" in lieu thereof.

3. Conditions to Effectiveness of Amendment. The effectiveness of this Amendment is subject to the satisfaction of the conditions precedent that:

3.1. Amendment. The Agent shall have received, on or before the date hereof (i) executed counterparts of this Amendment, duly executed by each of the parties hereto, (ii) a copy of the resolutions of the Board of Directors of the Seller approving such Person's execution, delivery and performance of the Agreement, as amended by this Amendment, certified by its Secretary or Assistant Secretary, (iii) a certificate of the Secretary or Assistant Secretary of the Seller certifying the names and true signatures of the officers authorized to sign this Amendment, and (iv) an opinion of counsel of the Seller in form and substance satisfactory to the Agent.

3.2. Representations and Warranties. As of the date hereof, both before and after giving effect to this Amendment, all of the representations and warranties contained in the Agreement and in each other Transaction Document (other than those that speak expressly only as of a different date) shall be true and correct in all material respects as though made on the date hereof (and by its execution hereof, of the Seller shall be deemed to have represented and warranted such).

3.3. Servicer Defaults. As of the date hereof, both before and after giving effect to this Amendment, no Servicer Default shall have occurred and be continuing (and by its execution hereof, of the Seller shall be deemed to have represented and warranted such).

4. Miscellaneous.

4.1. Effect; Ratification. The amendments set forth herein are effective solely for the purposes set forth herein and shall be limited precisely as written, and shall not be deemed to (i) be a consent to any amendment, waiver or modification of any other term or condition of the Agreement or of any other instrument or agreement referred to therein; or (ii) prejudice any right or remedy which the Investors, FALCON and the Agent may now have or may have in the future under or in connection with the Agreement or any other instrument or agreement referred to therein. Each reference in the Agreement to "this Agreement," "herein," "hereof" and words of like import and each reference in the other Transaction Documents to the "Agreement" shall mean the Agreement as amended hereby. This Amendment shall be construed in connection with and as part of the Agreement and all terms, conditions, representations, warranties, covenants and agreements set forth in the Agreement and each other instrument or agreement referred to therein, except as herein amended, are hereby ratified and confirmed and shall remain in full force and effect.

4.2. Transaction Documents. This Amendment is a Transaction Document executed pursuant to the Agreement and shall be construed, administered and applied in accordance with the terms and provisions thereof.

5. Costs and Expenses. The Seller agrees to pay all costs, fees, and out-of-pocket expenses (including attorneys' fees and time charges of attorneys for the Agent, which attorneys may be employees of the Agent) incurred by the Agent in connection with the preparation, execution and enforcement of this Amendment.

6. CHOICE OF LAW. THIS AMENDMENT SHALL BE CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS (AND NOT THE LAW OF CONFLICTS) OF THE STATE OF ILLINOIS.

7. Execution in Counterparts. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

IN WITNESS WHEREOF, the Seller, the Investors, FALCON and the Agent have executed this Amendment as of the date first above written.

YELLOW RECEIVABLES CORPORATION

By: _____

Title: _____

Address for Notices:

Yellow Receivables Corporation
10990 Roe Avenue
P.O. Box 7489
Overland Park, KS 66211
Attention: Chet Lamkey
Phone: (913) 344-3325
Fax: (913) 344-4849

FALCON ASSET SECURITIZATION
CORPORATION

By: _____
Authorized Signatory

Address for Notices:

Falcon Asset Securitization
Corporation
c/o Bank One, NA
Asset-Backed Finance
1 Bank One Plaza
Chicago, Illinois 60670-0596
Attention: Elizabeth Cohen
Fax: (312) 732-3205

INVESTORS:

COMMITMENT

\$200,000,000

PRO RATA SHARE

100%

BANK ONE, NA (formerly known
as THE FIRST NATIONAL BANK
OF CHICAGO), as Investor and as
Agent

By: _____

Title: _____

Address for notices:

Bank One, NA
Suite 0596, 1-21
1 Bank One Plaza
Chicago, Illinois 60670-0596
Attention: Elizabeth Cohen
Fax: (312) 732-3205

=====
\$200,000,000

PURCHASE LIMIT

AMENDMENT TO AMENDED AND RESTATED RECEIVABLES PURCHASE AGREEMENT

THIS AMENDMENT TO AMENDED AND RESTATED RECEIVABLES PURCHASE AGREEMENT is entered into as of May 1, 2001 by and among Yellow Receivables Corporation, a Delaware corporation (the "SELLER"), Falcon Asset Securitization Corporation ("FALCON") and Bank One, NA (formerly known as The First National Bank of Chicago), individually (the "INVESTOR") and as agent (in such capacity, the "AGENT"), with respect to that certain Amended and Restated Receivables Purchase Agreement, dated as of July 30, 1999, among the Seller, Falcon, the Investor and the Agent as heretofore amended (the "EXISTING AGREEMENT").

W I T N E S S E T H :

WHEREAS, the Seller, Falcon, the Investor and the Agent are parties to the Existing Agreement; and

WHEREAS, the parties hereto desire to amend the Existing Agreement as hereinafter set forth;

NOW, THEREFORE, in consideration of the premises herein contained, and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto hereby agree as follows:

1. DEFINED TERMS. Capitalized terms used herein and not otherwise defined shall have their meanings as attributed to such terms in the Existing Agreement.

2. AMENDMENTS.

2.1. All references in the Existing Agreement to "The First National Bank of Chicago," "First Chicago," and "One First National Plaza" are hereby replaced with "Bank One, NA," "Bank One" and "1 Bank One Plaza," respectively.

2.2. Section 1.9 of the Existing Agreement is hereby amended to delete "2.0%" where it appears and to substitute in lieu thereof "1.0%."

2.3. The following definitions set forth in Exhibit I to the Existing Agreement are hereby amended and restated in their entirety to read, respectively, as follows:

"AGGREGATE RESERVE PERCENTAGE" means, on any date of determination, the greater of (a) the sum of the Loss Reserve Percentage, the Discount Reserve Percentage, the Dilution Reserve Percentage and the Servicer Fee Percentage, each as then in effect, and (b) 20%.

"CONCENTRATION LIMIT" means:

(a) for any Obligor and its Affiliates considered as if they were one and the same Obligor, an amount equal to (i) 3.00%, multiplied by (ii) the aggregate Outstanding Balance of all Eligible Receivables at such time;

(b) at any time, for all Government Receivables, 5% of the aggregate Outstanding Balance of all Eligible Receivables at such time; and

(c) at any time, for that portion of the Receivables representing Deferred Revenue, 15% of the aggregate Outstanding Balance of all Eligible Receivables at such time;

PROVIDED, HOWEVER, that:

(i) the Concentration Limit set forth in the preceding clause (c) will automatically become zero (A) at all times while any Labor Action remains is pending, and (B) immediately following the threat of any Labor Action and for so long as the Agent, FALCON or the Required Investors reasonably believe(s) such threat is likely to be carried out, and

(ii) the Agent may from time to time designate other amounts (each, a "SPECIAL CONCENTRATION LIMIT") for any Obligor or class of Receivables, it being understood and agreed that the Agent, FALCON or the Required Investors may, upon not less than three Business Days' notice to the Seller, cancel any Special Concentration Limit.

"LIQUIDITY TERMINATION DATE" means April 30, 2002, as extended from time to time pursuant to the terms hereof.

2.4. The following new definitions are hereby inserted in their appropriate alphabetical order in Exhibit I to the Existing Agreement:

"DILUTION HORIZON RATIO" means, on any date of determination:

(i) the aggregate amount of Receivables generated during the 3-month period then most recently ended, divided by (ii) the Net Receivables Balance on such date.

"DILUTION RESERVE PERCENTAGE" means, on any date of determination, the percentage determined pursuant to the following formula:

$$\{(2.00 \times ED) + [(DS - ED) \times (DS/ED)]\} \times DHR$$

WHERE:

ED = the Expected Dilution on such date;

DS = the Dilution Spike as of such date; and

DHR = the Dilution Horizon Ratio on such date.

"DILUTION RESERVE" means, on any date, an amount equal to (i) the Dilution Reserve Percentage, multiplied by (ii) the Net Receivables Balance as of the opening of business of the Servicer on such date.

"DILUTION SPIKE" means, on any date of determination, the highest Dilution Ratio for any month during the 12 months then most recently ended.

"EXPECTED DILUTION" means, on any date of determination, the average of the Dilution Ratios for the 12 months then most recently ended.

3. REPRESENTATIONS AND WARRANTIES. In order to induce the Agent and the Purchasers to enter into this Amendment, the Seller hereby represents and warrants to the Agent and the Purchasers that after giving effect to the amendments contained in Section 2 above, (a) no Servicer Default or Potential Servicer Default exists and is continuing as of the Effective Date (as defined in Section 4 below), and (b) each of the Seller's representations and warranties contained in Section 3.1 of the Existing Agreement is true and correct as of the Effective Date.

4. EFFECTIVE DATE. This Amendment shall become effective as of the date first above written (the "EFFECTIVE DATE") when each of the following conditions precedent has been satisfied:

(a) the Agent has received counterparts of this Amendment, duly executed by the Seller, the Agent, Falcon and the Investor, and

(b) the Agent has received counterparts of a second amended and restated Fee Letter of even date herewith, duly executed by the Seller and the Agent.

5. RATIFICATION. The Existing Agreement, as modified hereby, is hereby ratified, approved and confirmed in all respects.

6. REFERENCE TO AGREEMENT. From and after the Effective Date hereof, each reference in the Existing Agreement to "this Agreement", "hereof", or "hereunder" or words of like import, and all references to the Existing Agreement in any and all agreements, instruments, documents, notes, certificates and other writings of every kind and nature shall be deemed to mean the Existing Agreement, as modified by this Amendment.

7. COSTS AND EXPENSES. The Seller agrees to pay all costs, fees, and out-of-pocket expenses (including reasonable attorneys' fees and disbursements) incurred by the Agent in connection with the preparation, execution and enforcement of this Amendment.

8. CHOICE OF LAW. THIS AMENDMENT SHALL BE CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS (AND NOT THE LAW OF CONFLICTS) OF THE STATE OF ILLINOIS.

9. EXECUTION IN COUNTERPARTS. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which

when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

IN WITNESS WHEREOF, the Seller, Falcon, the Investor and the Agent have executed this Amendment as of the date first above written.

YELLOW RECEIVABLES CORPORATION

By: -----

Name:
Title:

FALCON ASSET SECURITIZATION CORPORATION

By: _____
Authorized Signatory

BANK ONE, NA, INDIVIDUALLY AND AS AGENT

By: _____
Authorized Signatory

SECOND AMENDMENT TO AMENDED AND RESTATED
RECEIVABLES PURCHASE AGREEMENT

THIS SECOND AMENDMENT TO AMENDED AND RESTATED RECEIVABLES PURCHASE AGREEMENT is entered into as of January 23, 2002 by and among Yellow Receivables Corporation, a Delaware corporation (the "SELLER"), Falcon Asset Securitization Corporation ("FALCON") and Bank One, NA, individually (the "INVESTOR") and as agent in such capacity, the "AGENT"), with respect to that certain Amended and Restated Receivables Purchase Agreement, dated as of July 30, 1999, among the Seller, Falcon, the Investor and the Agent as heretofore amended (the "EXISTING AGREEMENT").

W I T N E S S E T H:

WHEREAS, the Seller, Falcon, the Investor and the Agent are parties to the Existing Agreement; and

WHEREAS, the parties hereto desire to amend the Existing Agreement as hereinafter set forth;

NOW, THEREFORE, in consideration of the premises herein contained, and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto hereby agree as follows:

1. DEFINED TERMS. Capitalized terms used herein and not otherwise defined shall have their meanings as attributed to such terms in the Existing Agreement.

2. AMENDMENTS.

2.1. The following definition set forth in Exhibit I to the Existing Agreement is hereby amended and restated in its entirety to read, respectively, as follows:

"ADJUSTED LIQUIDITY PRICE" means, in determining the FALCON Transfer Price for any Receivables Interest, an amount equal to:

$$(i) DC + (ii) RI \times \left[\frac{NDR}{1.10} \right]$$

where

RI = the undivided percentage interest evidenced by such Receivable Interest.

DC = the Deemed Collections.

NDR = the Outstanding Balance of all Receivables as to which no payment, or part thereof, remains unpaid for 150 days or more from the original invoice date for such payment.

3. REPRESENTATIONS AND WARRANTIES. In order to induce the Agent and the Purchasers to enter into this Amendment, the Seller hereby represents and warrants to the Agent and the Purchasers that after giving effect to the amendments contained in Section 2 above, (a) no Servicer Default or Potential Servicer Default exists and is continuing as of the Effective Date (as defined in Section 4 below), and (b) each of the Seller's representations and warranties contained in Section 3.1 of the Existing Agreement is true and correct as of the Effective Date.

4. EFFECTIVE DATE. This Amendment shall become effective as of the date first above written (the "EFFECTIVE DATE") when the Agent has received counterparts of this Amendment, duly executed by the Seller, the Agent, Falcon and the Investor.

5. RATIFICATION. The Existing Agreement, as modified hereby, is hereby ratified, approved and confirmed in all respects.

6. REFERENCE TO AGREEMENT. From and after the Effective Date hereof, each reference in the Existing Agreement to "this Agreement", "hereof", or "hereunder" or words of like import, and all references to the Existing Agreement in any and all agreements, instruments, documents, notes, certificates and other writings of every kind and nature shall be deemed to mean the Existing Agreement, as modified by this Amendment.

7. COSTS AND EXPENSES. The Seller agrees to pay all costs, fees, and out-of-pocket expenses (including reasonable attorneys' fees and disbursements) incurred by the Agent in connection with the preparation, execution and enforcement of this Amendment.

8. CHOICE OF LAW. THIS AMENDMENT SHALL BE CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS (AND NOT THE LAW OF CONFLICTS) OF THE STATE OF ILLINOIS.

9. EXECUTION IN COUNTERPARTS. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered by their duly authorized officers as of the date hereof.

YELLOW RECEIVABLES CORPORATION

By: _____

Name: _____

Title: _____

FALCON ASSET SECURITIZATION CORPORATION

By: _____

Authorized Signatory

BANK ONE NA, as an Investor and as Agent

By: _____

Authorized Signatory

AMENDMENT NO. 2 TO AMENDED AND RESTATED RECEIVABLES PURCHASE AGREEMENT

THIS AMENDMENT NO. 2 TO AMENDED AND RESTATED RECEIVABLES PURCHASE AGREEMENT is entered into as of April 23, 2002 by and among Yellow Receivables Corporation, a Delaware corporation (the "SELLER"), Falcon Asset Securitization Corporation ("FALCON") and Bank One, NA (formerly known as The First National Bank of Chicago), individually (the "INVESTOR") and as agent (in such capacity, the "AGENT"), with respect to that certain Amended and Restated Receivables Purchase Agreement, dated as of July 30, 1999, among the Seller, Falcon, the Investor and the Agent as heretofore amended (the "EXISTING AGREEMENT").

W I T N E S S E T H :

WHEREAS, the Seller, Falcon, the Investor and the Agent are parties to the Existing Agreement; and

WHEREAS, the parties hereto desire to amend the Existing Agreement as hereinafter set forth;

NOW, THEREFORE, in consideration of the premises herein contained, and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto hereby agree as follows:

1. DEFINED TERMS. Capitalized terms used herein and not otherwise defined shall have their meanings as attributed to such terms in the Existing Agreement.

2. AMENDMENT. The following definition set forth in Exhibit I to the Existing Agreement is hereby amended and restated in its entirety to read as follows:

"LIQUIDITY TERMINATION DATE" means April 29, 2003, as extended from time to time pursuant to the terms hereof.

3. REPRESENTATIONS AND WARRANTIES. In order to induce the Agent and the Purchasers to enter into this Amendment, the Seller hereby represents and warrants to the Agent and the Purchasers that after giving effect to the amendment contained in Section 2 above, (a) no Servicer Default or Potential Servicer Default exists and is continuing as of the Effective Date (as defined in Section 4 below), and (b) each of the Seller's representations and warranties contained in Section 3.1 of the Existing Agreement is true and correct as of the Effective Date.

4. EFFECTIVE DATE. This Amendment shall become effective as of the date first above written (the "EFFECTIVE DATE") when each of the following conditions precedent has been satisfied:

(a) the Agent has received counterparts of this Amendment, duly executed by the Seller, the Agent, Falcon and the Investor, and

(b) the Agent has received counterparts of a third amended and restated Fee Letter of even date herewith, duly executed by the Seller and the Agent.

5. RATIFICATION. The Existing Agreement, as modified hereby, is hereby ratified, approved and confirmed in all respects.

6. REFERENCE TO AGREEMENT. From and after the Effective Date hereof, each reference in the Existing Agreement to "this Agreement", "hereof", or "hereunder" or words of like import, and all references to the Existing Agreement in any and all agreements, instruments, documents, notes, certificates and other writings of every kind and nature shall be deemed to mean the Existing Agreement, as modified by this Amendment.

7. COSTS AND EXPENSES. The Seller agrees to pay all costs, fees, and out-of-pocket expenses (including reasonable attorneys' fees and disbursements) incurred by the Agent in connection with the preparation, execution and enforcement of this Amendment.

8. CHOICE OF LAW. THIS AMENDMENT SHALL BE CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS (AND NOT THE LAW OF CONFLICTS) OF THE STATE OF ILLINOIS.

9. EXECUTION IN COUNTERPARTS. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

IN WITNESS WHEREOF, the Seller, Falcon, the Investor and the Agent have executed this Amendment as of the date first above written.

YELLOW RECEIVABLES CORPORATION

By: _____
Name:
Title:

FALCON ASSET SECURITIZATION CORPORATION

By: _____
Authorized Signatory

BANK ONE, NA, INDIVIDUALLY AND AS AGENT

By: _____
Authorized Signatory

WAIVER AND AMENDMENT NO. 3 TO AMENDED AND RESTATED
RECEIVABLES PURCHASE AGREEMENT

THIS WAIVER AND AMENDMENT NO. 3 TO AMENDED AND RESTATED RECEIVABLES PURCHASE AGREEMENT (this "AMENDMENT") is entered into as of August 1, 2002 by and among Yellow Receivables Corporation, a Delaware corporation (the "SELLER"), Falcon Asset Securitization Corporation ("FALCON") and Bank One, NA (formerly known as The First National Bank of Chicago), individually (the "INVESTOR") and as agent (in such capacity, the "Agent"), with respect to that certain Amended and Restated Receivables Purchase Agreement, dated as of July 30, 1999, among the Seller, Falcon, the Investor and the Agent as heretofore amended (the "EXISTING AGREEMENT").

W I T N E S S E T H :

WHEREAS, the Seller, Falcon, the Investor and the Agent are parties to the Existing Agreement; and

WHEREAS, the parties hereto desire to waive a certain Servicer Default that exists under the Existing Agreement and to amend the Existing Agreement as hereinafter set forth;

NOW, THEREFORE, in consideration of the premises herein contained, and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto hereby agree as follows:

1. DEFINED TERMS. Capitalized terms used herein and not otherwise defined shall have their meanings as attributed to such terms in the Existing Agreement.

2. WAIVER. Falcon, the Investor and the Agent hereby waive the Servicer Default that occurred under Section 7.1(d)(iii) of the Existing Agreement for the month ended June 30, 2002.

3. AMENDMENTS.

3.1. Section 7.1(d)(iii) of the Existing Agreement is hereby amended and restated in its entirety to read as follows:

(iii) the average of the Default Ratios for each of the three consecutive calendar months then most recently ended shall exceed 3.50% at any time from and including August 1, 2002 through and including December 31, 2002, or 2.50% at any time thereafter.

3.2. The definition of "LOSS RESERVE PERCENTAGE" in the Existing Agreement is hereby amended and restated in its entirety to read as follows:

"LOSS RESERVE PERCENTAGE" means, on any date of determination, (a) 2.00, multiplied by (b) the highest of the past 12 rolling 3-month average Default Ratio, multiplied by (c) a fraction having a numerator equal to the aggregate amount of

Receivables generated during the preceding 4 months and denominator equal to the Net Receivables Balance on the date of determination; PROVIDED, HOWEVER, that in no event shall the Loss Reserve Percentage be less than 18% at any time from and including August 1, 2002 through and including December 31, 2002.

4. REPRESENTATIONS AND WARRANTIES. In order to induce the Agent and the Purchasers to enter into this Amendment, the Seller hereby represents and warrants to the Agent and the Purchasers that after giving effect to the waiver and amendments set forth above, (a) no Servicer Default or Potential Servicer Default exists and is continuing as of the Effective Date (as defined in Section 5 below), and (b) each of the Seller's representations and warranties contained in Section 3.1 of the Existing Agreement is true and correct as of the Effective Date.

5. EFFECTIVE DATE. This Amendment shall become effective as of the date first above written (the "EFFECTIVE DATE") when the Agent has received counterparts of this Amendment, duly executed by the Seller, the Agent, Falcon and the Investor.

6. RATIFICATION. The Existing Agreement, as modified hereby, is hereby ratified, approved and confirmed in all respects.

7. REFERENCE TO AGREEMENT. From and after the Effective Date hereof, each reference in the Existing Agreement to "this Agreement", "hereof", or "hereunder" or words of like import, and all references to the Existing Agreement in any and all agreements, instruments, documents, notes, certificates and other writings of every kind and nature shall be deemed to mean the Existing Agreement, as modified by this Amendment.

8. COSTS AND EXPENSES. The Seller agrees to pay all costs, fees, and out-of-pocket expenses (including reasonable attorneys' fees and disbursements) incurred by the Agent in connection with the preparation, execution and enforcement of this Amendment.

9. CHOICE OF LAW. THIS AMENDMENT SHALL BE CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS (AND NOT THE LAW OF CONFLICTS) OF THE STATE OF ILLINOIS.

10. EXECUTION IN COUNTERPARTS. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

IN WITNESS WHEREOF, the Seller, Falcon, the Investor and the Agent have executed this Amendment as of the date first above written.

YELLOW RECEIVABLES CORPORATION

By: _____
Name:
Title:

FALCON ASSET SECURITIZATION CORPORATION

By: _____
Authorized Signatory

BANK ONE, NA, INDIVIDUALLY AND AS AGENT

By: _____
Authorized Signatory

OMNIBUS AMENDMENT

THIS OMNIBUS AMENDMENT is entered into as of December 31, 2002 by and among Yellow Transportation, Inc., an Indiana corporation f/k/a Yellow Freight System, Inc. (the "ORIGINATOR"), Yellow Receivables Corporation, a Delaware corporation (the "SPV" or the "SELLER"), Falcon Asset Securitization Corporation ("FALCON") and Bank One, NA (formerly known as The First National Bank of Chicago), individually (the "INVESTOR") and as agent (in such capacity, the "AGENT"), with respect to (a) that certain Receivables Sale Agreement, dated as of August 2, 1996 by and between the Originator and the SPV as heretofore amended (the "EXISTING SALE AGREEMENT"), and (b) that certain Amended and Restated Receivables Purchase Agreement, dated as of July 30, 1999, among the SPV, Falcon, the Investor and the Agent as heretofore amended (the "EXISTING PURCHASE AGREEMENT" and, together with the Existing Sale Agreement, the "EXISTING AGREEMENTS").

W I T N E S S E T H :

WHEREAS, the Originator, the SPV, Falcon, the Investor and the Agent are parties to one or both of the Existing Agreements; and

WHEREAS, the parties hereto desire to amend the Existing Agreements as hereinafter set forth;

NOW, THEREFORE, in consideration of the premises herein contained, and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto hereby agree as follows:

1. DEFINED TERMS. Capitalized terms used herein and not otherwise defined shall have their meanings as attributed to such terms in the Existing Agreements.

2. AMENDMENTS.

2.1. Section 1.5.7 of the Existing Purchase Agreement is hereby amended and restated in its entirety to read as follows:

Section 1.5.7. Repurchase Option. The Seller shall have the right, by prior written notice to the Agent given in not less than the Required Notice Period, at any time to repurchase from the Purchasers all, but not less than all, of the then outstanding Receivable Interests. The purchase price in respect thereof shall be an amount equal to the Aggregate Unpaid through the date of such repurchase, payable in immediately available funds. Such repurchase shall be without representation, warranty or recourse of any kind by, on the part of, or against any Purchaser or the Agent.

2.2. Section 11.14 of the Existing Purchase Agreement is hereby amended by amending and restating the first sentence thereof to read as follows:

It is the intention of the parties hereto that each purchase hereunder shall constitute an

absolute and irrevocable sale for all purposes other than financial accounting purposes, which purchase shall provide the applicable Purchaser with the full benefits of ownership of the applicable Receivable Interest.

2.3. The definitions of "DEFAULTED RECEIVABLE" and "DELINQUENT RECEIVABLE" in the Existing Purchase Agreement are hereby amended and restated in their entirety to read, respectively, as follows:

"DEFAULTED RECEIVABLE" means a Receivable: (i) as to which any payment, or part thereof, remains unpaid for 151 days or more from the original invoice date for such payment; (ii) as to which the Obligor thereof has taken any action, or suffered any event to occur, of the type described in Section 7.1(c) (as if references to the Seller therein refer to such Obligor); (iii) as to which the Obligor thereof, if a natural person, is deceased; or (iv) which has been identified by the Seller as uncollectible.

"DELINQUENT RECEIVABLE" means a Receivable (other than a Defaulted Receivable) as to which any payment, or part thereof, remains unpaid for 121 days or more but less than 151 days from the original invoice date for such payment.

2.4. Section 7.1(d)(iii) of the Existing Purchase Agreement is hereby amended and restated in its entirety to read as follows:

(iii) the average of the Default Ratios for each of the three consecutive calendar months then most recently ended shall exceed 3.25% at any time from and including January 1, 2003 through and including March 31, 2003, or 3.00% at any time thereafter.

2.5. The definition of "LOSS RESERVE PERCENTAGE" in the Existing Purchase Agreement is hereby amended and restated in its entirety to read as follows:

"LOSS RESERVE PERCENTAGE" means, on any date of determination, (a) 2.00, multiplied by (b) the highest of the past twelve rolling 3-month average Default Ratios, multiplied by (c) a fraction having a numerator equal to the aggregate amount of Receivables generated during the preceding 4 months and denominator equal to the Net Receivables Balance on the date of determination; PROVIDED, HOWEVER, that in no event shall the Loss Reserve Percentage be less than 16.5% at any time from and including January 1, 2003 through and including March 31, 2003, or 15% thereafter.

2.6. Section 1.1(b) of the Existing Sale Agreement is hereby amended by amending and restating the first sentence thereof to read as follows:

It is the intention of the parties hereto that each Purchase of Receivables made hereunder shall constitute a "sale of accounts," as such terms is used in Article 9 of the UCC for all purposes other than financial accounting purposes, which sales are absolute and irrevocable and provide the Buyer with the full benefits of ownership of the Receivables.

2.7. Section 4.2(e) of the Existing Sale Agreement is hereby amended by (i) replacing "The" with "the" at the beginning of such Section and (ii) inserting the phrase "Other than for financial accounting purposes," at the beginning of such Section immediately before the phrase "the Originator will not, and shall not".

3. REPRESENTATIONS AND WARRANTIES. In order to induce the Agent and the Purchasers to enter into this Amendment, each of the Originator and the SPV hereby represents and warrants to the Agent and the Purchasers that after giving effect to the amendments contained in Section 2 above, (a) no Servicer Default, Event of Default, Potential Servicer Default or Potential Event of Default exists and is continuing as of the Effective Date (as defined in Section 4 below), and (b) each of such Person's representations and warranties contained in Section 2.1 of the Existing Sale Agreement (in the case of the Originator) and Section 3.1 of the Existing Purchase Agreement (in the case of the SPV) is true and correct as of the Effective Date.

4. EFFECTIVE DATE. This Amendment shall become effective as of the date first above written (the "EFFECTIVE DATE") when the Agent has received counterparts of this Amendment, duly executed by each of the parties hereto.

5. RATIFICATION. Each of the Existing Agreements, as modified hereby, is hereby ratified, approved and confirmed in all respects.

6. REFERENCE TO AGREEMENT. From and after the Effective Date hereof, each reference in either of the Existing Agreements to "this Agreement", "hereof", or "hereunder" or words of like import, and all references to either of the Existing Agreements in any and all agreements, instruments, documents, notes, certificates and other writings of every kind and nature shall be deemed to mean such Existing Agreement, as modified by this Amendment.

7. COSTS AND EXPENSES. The SPV agrees to pay all costs, fees, and out-of-pocket expenses (including reasonable attorneys' fees and disbursements) incurred by the Agent in connection with the preparation, execution and enforcement of this Amendment.

8. CHOICE OF LAW. THIS AMENDMENT SHALL BE CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS (AND NOT THE LAW OF CONFLICTS) OF THE STATE OF ILLINOIS.

9. EXECUTION IN COUNTERPARTS. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

IN WITNESS WHEREOF, the Originator, the SPV, Falcon, the Investor and the Agent have executed this Amendment as of the date first above written.

YELLOW TRANSPORTATION, INC.

By: _____
Name:
Title:

YELLOW RECEIVABLES CORPORATION

By: _____
Name:
Title:

FALCON ASSET SECURITIZATION CORPORATION

By: _____
Authorized Signatory

BANK ONE, NA, INDIVIDUALLY AND AS AGENT

By: _____
Director, Capital Markets

AMENDMENT NO. 4 TO AMENDED AND RESTATED RECEIVABLES PURCHASE AGREEMENT

THIS AMENDMENT NO. 4 TO AMENDED AND RESTATED RECEIVABLES PURCHASE AGREEMENT (this "AMENDMENT") is entered into as of April 29, 2003 by and among Yellow Receivables Corporation, a Delaware corporation (the "SELLER"), Falcon Asset Securitization Corporation ("FALCON") and Bank One, NA (formerly known as The First National Bank of Chicago), individually (the "INVESTOR") and as agent (in such capacity, the "AGENT"), with respect to that certain Amended and Restated Receivables Purchase Agreement, dated as of July 30, 1999, among the Seller, Falcon, the Investor and the Agent as heretofore amended (the "EXISTING AGREEMENT").

W I T N E S S E T H :

WHEREAS, the Seller, Falcon, the Investor and the Agent are parties to the Existing Agreement; and

WHEREAS, the parties hereto desire to amend the Existing Agreement as hereinafter set forth;

NOW, THEREFORE, in consideration of the premises herein contained, and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto hereby agree as follows:

1. DEFINED TERMS. Capitalized terms used herein and not otherwise defined shall have their meanings as attributed to such terms in the Existing Agreement.

2. AMENDMENTS.

2.1. Section 7.1(d) of the Existing Agreement is hereby amended and restated in its entirety to read as follows:

(d) As at the end of any calendar month:

(i) the average of the Delinquency Ratios for each of the three consecutive calendar months then most recently ended shall exceed 2.50%;

(ii) the average of the Dilution Ratios for each of the three consecutive calendar months then most recently ended shall exceed 4.00%; or

(iii) the average of the Default Ratios for each of the three consecutive calendar months then most recently ended shall exceed 3.00% at any time from and including April 1, 2003 through and including June 30, 2003, or 2.50% at any time thereafter.

2.2. Section 8.2 (a) of the Existing Agreement is hereby amended and restated in its entirety to read as follows:

Section 8.2. Increased Cost and Reduced Return.

(a) If after the date hereof, any Funding Source shall be charged any fee, expense or increased cost on account of the adoption of any applicable law, rule or regulation (including any applicable law, rule or regulation regarding capital adequacy), any accounting principles or any change therein in any of the foregoing, or any change in the interpretation or administration thereof by the Financial Accounting Standards Board ("FASB"), any governmental authority, any central bank or any comparable agency charged with the interpretation or administration thereof, or compliance with any request or directive (whether or not having the force of law) of any such authority or agency (a "REGULATORY CHANGE"): (i) which subjects any Funding Source to any charge or withholding on or with respect to any Funding Agreement or a Funding Source's obligations under a Funding Agreement, or on or with respect to the Receivables, or changes the basis of taxation of payments to any Funding Source of any amounts payable under any Funding Agreement (except for changes in the rate of tax on the overall net income of a Funding Source) or (ii) which imposes, modifies or deems applicable any reserve, assessment, insurance charge, special deposit or similar requirement against assets of, deposits with or for the account of a Funding Source, or credit extended by a Funding Source pursuant to a Funding Agreement or (iii) which imposes any other condition the result of which is to increase the cost to a Funding Source of performing its obligations under a Funding Agreement, or to reduce the rate of return on a Funding Source's capital as a consequence of its obligations under a Funding Agreement, or to reduce the amount of any sum received or receivable by a Funding Source under a Funding Agreement or to require any payment calculated by reference to the amount of interests or loans held or interest received by it, then, upon demand by the Agent, the Seller shall pay to the Agent, for the benefit of the relevant Funding Source, such amounts charged to such Funding Source or compensate such Funding Source for such reduction. For the avoidance of doubt, if FASB Interpretation No. 46, or any other change in accounting standards or the issuance of any other pronouncement, release or interpretation, causes or requires the consolidation of all or a portion of the assets and liabilities of FALCON or Seller with the assets and liabilities of the Agent, any Financial Institution or any other Funding Source, such event shall constitute a circumstance on which such Funding Source may base a claim for reimbursement under this Section.

2.3. The definition of "DILUTION RATIO" in the Existing Agreement is hereby amended and restated in its entirety to read as follows:

"DILUTION RATIO" means, as of the last day of any calendar month, a percentage equal to (i) the aggregate amount of Dilutions which occurred during such month, divided by (ii) the aggregate amount of Receivables generated by the Originator 2 months prior to such month.

2.4. The definition of "DILUTION HORIZON RATIO" in the Existing Agreement is hereby amended and restated in its entirety to read as follows:

"DILUTION HORIZON RATIO" means, on any date of determination: (i) the aggregate amount of Receivables generated during the 2-month period then most recently ended, divided by (ii) the Net Receivables Balance on such date.

2.5. The definition of "LIQUIDITY TERMINATION DATE" in the Existing Agreement is hereby amended and restated in its entirety to read as follows:

"LIQUIDITY TERMINATION DATE" means April 27, 2004, as extended from time to time pursuant to the terms hereof.

2.6. The definition of "LOSS RESERVE PERCENTAGE" in the Existing Agreement is hereby amended and restated in its entirety to read as follows:

"LOSS RESERVE PERCENTAGE" means, on any date of determination, (a) 2.00, multiplied by (b) the highest of the past twelve rolling 3-month average Default Ratios, multiplied by (c) a fraction having a numerator equal to the aggregate amount of Receivables generated during the preceding 4 months and denominator equal to the Net Receivables Balance on the date of determination; provided, however, that in no event shall the Loss Reserve Percentage be less than 15% at any time from and including April 1, 2003 through and including June 30, 2003.

2.7. "EXHIBIT III" to the Existing Agreement is hereby amended and restated in its entirety to read as follows:

EXHIBIT III
LOCKBOXES; COLLECTION ACCOUNTS;
CONCENTRATION ACCOUNTS; AND DEPOSITARY ACCOUNTS

YELLOW TRANSPORTATION, INC. (F/K/A YELLOW FREIGHT SYSTEM, INC.)

TYPE OF ACCT.	ACCOUNT #	BANK NAME	CITY, STATE
Concentration	3750962424	Bank of America	Dallas, TX
YELLOW RECEIVABLES CORPORATION			
Collection	3750962356	Bank of America	Dallas, TX
Collection	3750967393*	Bank of America	Dallas, TX
Concentration	3751433761	Bank of America	Dallas, TX
Depository	55-66681	Bank One (f/k/a First Chicago)	Chicago, IL
Concentration	55-03450*	Bank One (f/k/a First Chicago)	Chicago, IL

* Assigned to Yellow Receivables Corporation by Yellow Transportation, Inc. (f/k/a Yellow Freight System, Inc.)

3. REPRESENTATIONS AND WARRANTIES. In order to induce the Agent and the Purchasers to enter into this Amendment, the Seller hereby represents and warrants to the Agent and the Purchasers that after giving effect to the amendments set forth above, (a) no Servicer Default or Potential Servicer Default exists and is continuing as of the Effective Date (as defined in Section 4 below), and (b) each of the Seller's representations and warranties contained in Section 3.1 of the Existing Agreement is true and correct as of the Effective Date.

4. EFFECTIVE DATE. This Amendment shall become effective as of the date first above written (the "EFFECTIVE DATE") when the Agent has received counterparts of this Amendment, duly executed by the Seller, the Agent, Falcon and the Investor.

5. RATIFICATION. The Existing Agreement, as modified hereby, is hereby ratified, approved and confirmed in all respects.

6. REFERENCE TO AGREEMENT. From and after the Effective Date hereof, each reference in the Existing Agreement to "this Agreement", "hereof", or "hereunder" or words of like import, and all references to the Existing Agreement in any and all agreements, instruments, documents, notes, certificates and other writings of every kind and nature shall be deemed to mean the Existing Agreement, as modified by this Amendment.

7. COSTS AND EXPENSES. The Seller agrees to pay all costs, fees, and out-of-pocket expenses (including reasonable attorneys' fees and disbursements) incurred by the Agent in connection with the preparation, execution and enforcement of this Amendment.

8. CHOICE OF LAW. THIS AMENDMENT SHALL BE CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS (AND NOT THE LAW OF CONFLICTS) OF THE STATE OF ILLINOIS.

9. EXECUTION IN COUNTERPARTS. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

IN WITNESS WHEREOF, the Seller, Falcon, the Investor and the Agent have executed this Amendment as of the date first above written.

YELLOW RECEIVABLES CORPORATION

By: _____

Name:
Title:

FALCON ASSET SECURITIZATION CORPORATION

By: _____
Authorized Signatory

BANK ONE, NA, INDIVIDUALLY AND AS AGENT

By: _____
Name:
Title:

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of Yellow Corporation on Form 10-Q for the period ended March 31, 2003, as filed with the Securities and Exchange Commission of the date hereof (the "Report"), I, William D. Zollars, Chief Executive Officer of Yellow Corporation, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13 (a) or 15 (d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Yellow Corporation.

Date: May 2, 2003

/s/ WILLIAM D. ZOLLARS

William D. Zollars
Chairman of the Board of
Directors, President & Chief
Executive Officer

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of Yellow Corporation on Form 10-Q for the period ended March 31, 2003, as filed with the Securities and Exchange Commission of the date hereof (the "Report"), I, Donald G. Barger, Jr., Chief Financial Officer of Yellow Corporation, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13 (a) or 15 (d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Yellow Corporation.

Date: May 2, 2003

/s/ DONALD G. BARGER, JR.

Donald G. Barger, Jr.
Senior Vice President
& Chief Financial Officer