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NOBILITY HOMES INC
Form DEF 14A
February 04, 2005

SCHEDULE 14A INFORMATION
Proxy Statement Pursuant to Section 14(a)
of the Securities Exchange Act of 1934

Filed by the Registrant [X]
Filed by a Party other than the Registrant []

Check the appropriate box:

- [] Preliminary Proxy Statement
- [] Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- [X] Definitive Proxy Statement
- [] Definitive Additional Materials
- [] Soliciting Material Pursuant to ss. 240.14a-11(c) or ss. 240.14a-12

Nobility Homes, Inc.
(Name of Registrant as Specified in its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- [X] No fee required.
- [] Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.
 - 1) Title of each class of securities to which transaction applies:
 - 2) Aggregate number of securities to which transaction applies:
 - 3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):
 - 4) Proposed maximum aggregate value of transaction:
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- [] Fee paid previously with preliminary materials.
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 - 1) Amount Previously Paid:
 - 2) Form, Schedule or Registration Statement No.:
 - 3) Filing Party:
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NOBILITY HOMES, INC.

Notice and Proxy Statement

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD MARCH 4, 2005

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TO THE HOLDERS OF COMMON STOCK:

PLEASE TAKE NOTICE that the annual meeting of the shareholders of NOBILITY HOMES, INC. will be held on Friday, the 4th day of March, 2005, at 10:00 A.M. local time, at the Ocala Hilton, 3600 S.W. 36th Avenue, Ocala, Florida.

The meeting will be held for the following purposes:

1. To elect a board of five directors.
2. To transact such other business as may properly come before the meeting or any adjournment.

To be sure that your shares will be represented at the meeting, please date, sign and return your proxy, even if you plan to attend in person. A form of proxy and a self-addressed, postage prepaid envelope are enclosed. If you do attend the meeting, you may withdraw your proxy and vote in person.

By Order of the Board of Directors,
Jean Etheredge, Secretary

DATED: February 4, 2005

TABLE OF CONTENTS

	Page
PRINCIPAL HOLDERS OF COMPANY'S COMMON SHARES.....	2
NOMINATION AND ELECTION OF DIRECTORS.....	3
SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE.....	4
BOARD OF DIRECTORS AND COMMITTEES.....	5
EXECUTIVE COMPENSATION.....	6
SUMMARY COMPENSATION TABLE.....	7
COMPENSATION COMMITTEE REPORT ON EXECUTIVE COMPENSATION.....	7
SHAREHOLDER RETURN PERFORMANCE.....	9
AUDIT COMMITTEE REPORT.....	10
CERTAIN TRANSACTIONS.....	11
INDEPENDENT PUBLIC ACCOUNTANTS.....	11
SHAREHOLDER PROPOSALS AND COMMUNICATION WITH THE BOARD OF DIRECTORS.....	13
ANNUAL REPORT.....	13
OTHER MATTERS.....	14
EXPENSES OF SOLICITATION.....	14

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APPENDIX A AUDIT COMMITTEE CHARTER.....15

NOBILITY HOMES, INC.

PROXY STATEMENT FOR ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD MARCH 4, 2005

This proxy material and the enclosed form of proxy are being sent to the shareholders of Nobility Homes, Inc. on or about February 4, 2005, in connection with the solicitation by Nobility's board of directors of proxies to be used at the annual meeting of the shareholders of Nobility. The meeting will be held at the Ocala Hilton, 3600 S.W. 36th Avenue, Ocala, Florida, at 10:00 A.M., local time, on Friday, March 4, 2005.

If the enclosed form of proxy is executed and returned, you may revoke it at any time if it has not yet been exercised, by delivering a later dated proxy or written notice of revocation to the Secretary of the meeting or by attending the annual meeting and electing to vote in person. The shares represented by the proxy will be voted unless the proxy is received in such form as to render it not votable. The proxy is in ballot form so that you may specifically grant or withhold authority to vote for the election of each director. Unless you direct otherwise, the shares represented by the proxy will be voted "for" the election of each director nominated by the board of directors. Directors will be elected by a plurality of the votes cast by shares entitled to vote at the meeting.

Shareholders of record at the close of business on January 28, 2005, will be entitled to vote. Each share of common stock is entitled to one vote on any matter to come before the meeting. As of January 28, 2005, Nobility had 4,039,132 shares of common stock outstanding and entitled to vote.

The complete mailing address of Nobility's principal executive office is P.O. Box 1659, Ocala, Florida 34478.

PRINCIPAL HOLDERS OF COMPANY'S COMMON SHARES

The following table sets forth, as of January 28, 2005, information as to the \$.10 par value common stock of Nobility owned beneficially, directly or indirectly, (1) by each person who is known by Nobility to own beneficially more than 5% of Nobility's outstanding voting securities, (2) by each director, (3) by each executive officer named in the summary compensation table set forth elsewhere herein and (4) by all directors and executive officers as a group:

Name and Address of Beneficial Owner(1) -----	Number of Common Shares Beneficially Owned(2) -----	Percen -----
Terry E. Trexler Irrevocable Trust(3) Kay Charlton, Trustee(4) P. O. Box 2146 Winter Park, Florida 32790	2,180,535(5)	53

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Terry E. Trexler(6) 3741 S.W. 7th Street Ocala, Florida 34474	2,697(7)	
Thomas W. Trexler(8) 3741 S.W. 7th Street Ocala, Florida 34474	454,482(9)	1
Richard C. Barberie(8) 15300 SE 140 Avenue Road Weirsdale, Florida 32195	825	
Robert P. Holliday (8) 931 NW 37th Avenue Ocala, Florida 34475	4,935	
Robert P. Saltsman (8) 222 South Pennsylvania Avenue, Suite 200 Winter Park, Florida 32789	2,537	
Gabelli Group(10) One Corporate Center Rye, New York 10580	280,246	
Directors and Executive Officers (8 persons)	511,326(4) (6)	1

*Less than 1%

- (1) Information contained in this table is based upon information furnished by the beneficial owners.

2

- (2) Unless otherwise noted, all shares are owned directly with sole voting and dispositive power.
- (3) Mr. Terry Trexler established this trust for personal estate and tax planning reasons. Mr. Trexler is the sole beneficiary of the trust and has no voting or dispositive power with respect to the shares held by the trust.
- (4) Ms. Charlton is the trustee of the Terry E. Trexler Irrevocable Trust and as such is vested with sole voting and dispositive power with respect to all shares owned by the trust.
- (5) All shares are owned directly by the Terry E. Trexler Irrevocable Trust. Ms. Charlton has no pecuniary interest in the shares.
- (6) Mr. Terry Trexler is President and Chairman of the Board of Nobility. Additional information is contained under "Nomination and Election of Directors".
- (7) Includes 2,040 shares held in trust for the benefit of Mr. Trexler's grandchild and 657 shares owned through Nobility's 401(K) plan.

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- (8) Mr. Thomas Trexler is Executive Vice President and a director of Nobility. Messrs. Barberie, Holliday and Saltsman are directors of Nobility. Additional information is contained under "Nomination and Election of Directors".
- (9) Includes 141,600 shares subject to presently exercisable options and 613 shares owned through Nobility's 401(K) plan.
- (10) Mario J. Gabelli, Gabelli Group Capital Partners, Inc., Gabelli Asset Management, Inc., Gabelli Funds, LLC, GAMCO Investors, Inc., Gabelli Advisers, Inc., Gabelli Securities, Inc., Gabelli & Company, Inc., Gabelli & Company, Inc. Profit Sharing Plan, MJG Associates, Inc., Gabelli Foundation, Inc., Lynch Corporation and Lynch Interactive Corporation collectively beneficially own the shares.

NOMINATION AND ELECTION OF DIRECTORS

At the meeting, a board of five directors will be elected to serve for one year and until the election and qualification of their successors. Your proxy will be voted, unless you withhold authority to do so, for the election as directors of the persons named below, who have been nominated by Nobility's current board of directors.

The bylaws of Nobility provide that Nobility's board shall be made up of no fewer than one nor more than ten directors. The current board of directors has determined that five directors are appropriate for the present time. Proxies cannot be voted for more than five nominees.

Each nominee has consented to being named as such in this proxy statement and is at present available for election. Each nominee presently is a member of the board, having been elected as such at the last annual meeting of the shareholders.

If any nominee should become unavailable, the persons voting the accompanying proxy may, in their discretion, vote for a substitute. Additional information concerning the nominees, based on data furnished by them, is set forth below. Terry E. Trexler is the father of Thomas W. Trexler.

3

The board of directors of Nobility recommends a vote "for" the election of each of the following nominees. Proxies solicited by the board of directors will be so voted unless shareholders specify in their proxies a contrary choice.

Name (Age)	Principal Occupation or Employment; Certain Other Directors
Terry E. Trexler (65)	Chairman of the Board and President of Nobility for more than five years. Trexler is also President of TLT, Inc.
Thomas W. Trexler	Executive Vice President and Chief Financial Officer of Nobility since

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(41)	1994; President of Prestige Home Centers, Inc. since June 1995; Director of Prestige since 1993 and Vice President from 1991 to June 1995; President of Financial, Inc. since August 1992; Vice President of TLT, Inc. since September 1994
Richard C. Barberie (66)	Vice President of Purchasing of Nobility from December 1994 until his death in June 1995; Executive Vice President of Nobility for more than five years until December 1994
Robert P. Holliday (66)	President of Chariot Eagle, Inc. (which is engaged in the park model manufactured home business) since 1984 and President of Chariot Eagle- since 1995
Robert P. Saltsman (52)	Attorney and CPA in private practice since 1983; prior to 1983 Mr. Saltsman employed as a CPA by Arthur Andersen & Co. in Orlando, Florida

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Under Section 16(a) of the Securities Exchange Act, a Form 4 reporting the acquisition or disposition of Company securities by an officer, director or 10% shareholder must be filed with the Securities and Exchange Commission no later than the second business day after the date on which the transaction occurred unless certain exceptions apply. Most transactions not reported on Form 4 must be reported on Form 5 within 45 days after the end of Nobility's fiscal year. Based on information provided by Nobility's directors and executive officers, during the fiscal year ended November 6, 2004, all required reports were filed when due except as follows:

On each of March 17, 2004, June 11, 2004 and September 15, 2004, 100 shares of restricted stock were granted to both Jean Etheredge and John Cramer. Through inadvertence, the restricted stock grants were not reported on Form 4 within two business days. The original grants were reported in Form 4 filings on January 31, 2005.

4

BOARD OF DIRECTORS AND COMMITTEES

The board of directors of Nobility is comprised of a majority of independent directors. The board of directors has determined that Messrs. Richard Barberie, Robert Holliday and Robert Saltsman are all independent according to current Nasdaq rules. During the fiscal year ended November 6, 2004, the board of directors of Nobility held four regular meetings and one special meeting. All directors of Nobility attended 100% of the meetings of the board of directors and committees of the board on which they served. During the year ended November 6, 2004, directors who were not employees of Nobility were paid quarterly fees of \$1,500.

We have adopted a code of ethics that applies to the principal executive officer, principal financial officer, executive vice presidents and controller. The code has been designed in accordance with provisions of the Sarbanes-Oxley Act of 2002, to promote honest and ethical conduct. Our code of ethics is available on our website at www.nobilityhomes.com.

Nobility presently has three standing committees of its board of directors, an audit committee, a salary review committee and a nominating committee.

Salary Review Committee. The salary review committee is presently

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comprised of Messrs. Richard Barberie, Robert Holliday and Robert Saltsman. The salary review committee meets each quarter and recommends to the board of directors the salaries and bonuses, if any, to be paid to the officers of Nobility. The salary review committee met four times during fiscal year 2004.

Audit Committee. Nobility's audit committee has been established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act. During fiscal 2004, Nobility's audit committee was comprised of Messrs. Robert Saltsman, Robert Holliday and Richard Barberie, all of whom are considered independent under current Nasdaq rules. The audit committee has a written charter which establishes the scope of the committee's responsibilities and how it is to carry out those responsibilities. A copy of the audit committee's charter is attached as Appendix A to this proxy statement. The audit committee charter charges the committee with overseeing management's conduct of Nobility's financial reporting process, including (1) the integrity of the financial statements of Nobility, (2) the compliance by Nobility with legal and regulatory requirements, and (3) the independence and performance of Nobility's internal and external auditors. The audit committee met four times during fiscal 2004.

Our board of directors has determined that Mr. Robert Saltsman is the audit committee financial expert, and is independent as defined by Rule 4200(a)(15) of the National Association of Securities Dealers, Inc.

Nominating Committee. The board of directors has established a nominating committee comprised of Messrs. Robert Saltsman, Robert Holliday and Richard Barberie, all of whom are considered independent under current Nasdaq rules. The nominating committee's charter is available on our website at www.nobilityhomes.com. Our bylaws include provisions that address the process by which shareholders may nominate an individual to stand for election to the board

5

at our annual meeting of shareholders. For additional information, see "Shareholder Proposals and Communication with the Board of Directors" elsewhere in this proxy statement.

In evaluating director nominees, including candidates submitted by shareholders, the nominating committee will consider the candidate's experience, integrity, ability to make independent analytical inquiries, understanding of our business environment and willingness to devote adequate time to board duties. The nominating committee will also consider whether a candidate meets the definition of "independent director" under Nasdaq rules. There are no stated minimum criteria for director nominees, and the nominating committee may also consider such other factors as it deems to be in the best interest of Nobility and its shareholders.

EXECUTIVE COMPENSATION

The following table summarizes the compensation paid or accrued by Nobility for services rendered during the years indicated by Nobility's Chief Executive Officer and its Executive Vice President, the only other executive officer who had total salary and bonus exceeding \$100,000 during the fiscal year ended November 6, 2004. Nobility did not grant any restricted stock awards or stock appreciation rights or make any long-term incentive plan payouts to the named executive officers during the years indicated.

SUMMARY COMPENSATION TABLE

Name & Principal Position -----	Year Ended -----	Annual Compensation		Long Term Compensation Awards Securities Underlying Options/SAR's -----
		Salary -----	Bonus -----	
Terry E. Trexler	11/06/04	\$ 93,500	\$ 100,000	----
President and	11/02/03	\$ 93,500	\$ 100,000	----
Chairman of the Board	11/03/02	\$ 93,500	\$ 100,000	----
Thomas W. Trexler	11/06/04	\$ 75,036	\$ 100,000	----
Executive Vice	11/01/03	\$ 75,036	\$ 100,000	----
President	11/02/02	\$ 75,036	\$ 100,000	----

- (1) All other compensation represents insurance premiums paid or accrued by Nobility on two life insurance policies on the life of Mr. Terry E. Trexler. The proceeds of the two policies will be paid to Mr. Trexler's designated beneficiaries in the event of his death.
- (2) Represents the total annual premiums paid or accrued by Nobility on a insurance policy on the life of Mr. Thomas W. Trexler. In the event of Mr. Trexler's death, the proceeds will be paid to Mr. Trexler's designated beneficiaries.

COMPENSATION COMMITTEE REPORT ON EXECUTIVE COMPENSATION

Nobility's salary review committee (the "salary review committee") consists of Messrs. Richard Barberie, Robert Holliday and Robert Saltsman. Nobility's executive compensation policy seeks to fairly compensate executives for their performance and contributions to Nobility and to provide incentives that will attract and retain key employees. Compensation of executive officers for fiscal 2004 performance generally consisted of a base salary and profit bonuses tied to the performance of Nobility.

Base salaries and profit bonuses historically have been reviewed and adjusted from time to time based primarily on a non-quantitative assessment of factors such as an individual's performance, contributions, changes in job responsibilities and Nobility's performance and economic conditions. The salary

review committee reviewed and approved the base salary and the profit bonuses provided to executive officers in fiscal 2004. In doing so the salary review committee considered (i) Nobility's financial results for fiscal 2004 and the

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continued improvement in the financial condition of Nobility and (ii) certain non-quantitative factors, with emphasis on the qualitative performance of Nobility's executives. It is an objective of the salary review committee to maintain base salaries that are reflective of the individual executive's experience and responsibilities level, and that are competitive with the salary levels of executives at other companies engaged in the same or similar line of business with revenues in a range comparable to those of Nobility.

The base salary of the Chairman, President and Chief Executive Officer has remained unchanged at his request. His bonuses are tied directly to the net profit before income taxes of the overall Company and are approved on a quarterly basis by the salary review committee. It is the committee's belief that the CEO is undercompensated compared to the compensation paid to chief executive officers by other companies in the industry of similar size and performance. However, it is the CEO's desire to maintain his compensation in its present range, with a major incentive for his performance taking the form of increases in the value of his substantial stock ownership in Nobility.

Section 162(m) of the Internal Revenue Code, enacted in 1993, precludes a public corporation from deducting compensation of more than \$1 million each for its chief executive officer or for any of its four other highest paid officers. Certain performance-based compensation is exempt from this limitation. Because non-exempt options and other forms of compensation to Nobility's officers are not expected to be anywhere near \$1 million, the salary review committee does not presently have a policy regarding whether it would authorize compensation that would not be deductible for Nobility for federal income tax purposes by reason of Section 162(m).

Robert Holliday, Chairman
Richard Barberie
Robert Saltsman

8

SHAREHOLDER RETURN PERFORMANCE

The following graph compares Nobility's cumulative total shareholder return on its common stock from November 6, 1999, to November 6, 2004, with the cumulative total return of a peer issuer group selected by Nobility and the Nasdaq Market Index.

COMPARE 5-YEAR CUMULATIVE TOTAL RETURN AMONG NOBILITY HOMES, INC., NASDAQ MARKET INDEX AND PEER GROUP INDEX

COMPANY/INDEX/MARKET	FISCAL YEAR ENDING					
	11/05/1999	11/03/2000	11/02/2001	11/01/2002	10/31/2003	11/05/2004
Nobility Homes Inc	100.00	108.89	151.06	162.68	186.49	372.26
Customer Selected Stock List	100.00	59.77	81.23	48.42	76.12	93.80
NASDAQ Market Index	100.00	117.61	58.98	47.46	68.93	70.45

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ASSUMES \$100 INVESTED ON NOVEMBER 6, 1999
ASSUMES DIVIDEND REINVESTED
FISCAL YEAR ENDED NOVEMBER 6, 2004

- (1) Nobility has selected the following peer issuer group for comparison purposes:

Cavalier Homes, Inc.	Liberty Homes, Inc. CL A
Champion Enterprises, Inc.	Palm Harbor Homes, Inc.
Fleetwood Enterprises	Skyline Corp.

9

AUDIT COMMITTEE REPORT

The purpose of the audit committee is to assist the board of directors in its oversight of management's conduct of Nobility's financial reporting process. During the fiscal year ended November 6, 2004 the audit committee was comprised of Messrs. Robert Saltsman, Robert Holliday and Richard Barberie, each of whom is "independent" under current Nasdaq rules. For the fiscal year ended November 6, 2004 the audit committee:

- * Reviewed and discussed Nobility's fiscal 2004 financial statements with management and representatives of Tedder, James, Worden & Associates, P.A., Nobility's independent public accountants;
- * Discussed with Tedder, James, Worden & Associates, P.A. the matters required to be discussed by Statement on Auditing Standards Nos. 61, 89 and 90;
- * Received the written disclosures and the letter from Tedder, James, Worden & Associates, P.A. required by Independence Standards Board Standard No. 1, and discussed with Tedder, James, Worden & Associates, P.A. its independence; and
- * Based on the foregoing review, discussions and disclosures, recommended to the board of directors that Nobility's audited financial statements for the fiscal year ended November 6, 2004 be included in Nobility's annual report on Form 10-K for the fiscal year.

Robert Saltsman, Chairman
Robert Holliday
Richard Barberie

10

CERTAIN TRANSACTIONS

Nobility is the owner and beneficiary of three life insurance policies on the life of Terry E. Trexler, having an aggregate death benefit of approximately \$2 million. In September 2001 Nobility entered into an agreement with Mr. Trexler the proceeds of these life insurance policies will be used to

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purchase shares of Company common stock from his estate. The number of shares to be purchased will be determined by dividing the amount of the insurance proceeds by the average closing price of Nobility's common stock for the five days prior to Mr. Trexler's death.

During prior years Nobility paid premiums in the aggregate amount of approximately \$597,000 on two split dollar life insurance policies insuring Mr. Trexler and naming his family as beneficiaries. The net cash surrender value of these policies was pledged to Nobility as collateral for these advances. Subsequent to November 1, 2003, all premiums previously paid by Nobility were repaid.

Terry E. Trexler and Thomas W. Trexler each own 50% of the stock of TLT, Inc., which develops, owns and manages manufactured home communities in Florida that cater to the retirement market. During fiscal 2004, the Company had sales to TLT manufactured home communities of \$83,260. Management of Nobility anticipates that TLT and related manufactured homes communities will continue to purchase homes from Nobility during fiscal 2005 and beyond until TLT's manufactured home communities are built out.

INDEPENDENT PUBLIC ACCOUNTANTS

On July 15, 2003, we dismissed our auditors, PricewaterhouseCoopers LLP ("PWC") and appointed Tedder, James, Worden & Associates, P.A. ("Tedder, James") as our new independent auditors, effective July 15, 2003. This change was approved by the audit committee.

During the two fiscal years ended November 2, 2002, and November 3, 2001, and the subsequent interim period through July 15, 2003, there were no disagreements between us and PWC on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreements, if not resolved to PWC's satisfaction, would have caused PWC to make reference to the subject matter of the disagreement in connection with its reports on our financial statements for such years.

None of the reportable events described under Item 304(a)(1)(v) of Regulation S-K occurred within the two fiscal years of Nobility ended November 2, 2002 and November 3, 2001 or within the subsequent interim period through July 15, 2003.

The audit reports of PWC on our financial statements as of November 2, 2002 and for the fiscal years ended November 2, 2002 and November 3, 2001 did not contain any adverse opinion or disclaimer of opinion, nor were they qualified or modified as to uncertainty, audit scope or accounting principles.

11

During the two fiscal years of Nobility ended November 2, 2002 and November 3, 2001 or within the subsequent interim period through July 15, 2003, Nobility did not consult with Tedder, James on (i) the application of accounting principles to a specified transaction, either completed or proposed, or the type of audit opinion that may be rendered on Nobility's financial statements, and neither a written report nor oral advice was provided to Nobility that Tedder, James concluded was an important factor considered by Nobility in reaching a decision as to any accounting, auditing or financial reporting issues; or (ii) the subject of any disagreement, as defined in Item 304(a)(1)(iv) of Regulation S-K and the related instructions, or reportable event.

A letter from PWC is attached as an exhibit to our current report on

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Form 8-K filed with the Securities and Exchange Commission on July 22, 2003.

The board of directors has selected Tedder, James, Worden & Associates, P.A. to serve as our independent certified public accountants for the current fiscal year ending November 5, 2005. That firm has served as our auditors beginning on June 15, 2003 for the fiscal years ended November 1, 2003 and November 6, 2004. A representative of Tedder, James, Worden & Associates, P.A. is expected to be present at the annual meeting of shareholders and will be accorded the opportunity to make a statement, if he so desires, and to respond to appropriate questions from shareholders.

The following table provides information relating to the fees PWC and Tedder James billed or will bill to Nobility for the fiscal years ended November 6, 2004 and November 1, 2003.

	Audit Fees (1) ----	Audit-Related Fees (2) ----	Tax Fees (3) ----	All Fe --
Fiscal Year 2004				
-- Tedder, James only	\$ 47,500	\$ 10,500	\$ 10,000	\$
Fiscal Year 2003				
-- PWC	\$ 0	\$ 10,000	\$ 0	\$
-- Tedder, James	\$ 45,000	\$ 3,500	\$ 9,500	\$

(1) Audit fees include all fees for services in connection with the annual audit for Nobility.

(2) Audit-related fees include all fees for services in connection with the review of quarterly financial statements of Nobility.

(3) Tax fees are for preparation of federal and state income tax returns. The audit committee discussed these services with Tedder, James and determined that their provision would not impair Tedder, James' independence.

12

All decisions regarding selection of independent accounting firms and approval of accounting services and fees are made by our audit committee in accordance with the provisions of the Sarbanes-Oxley Act of 2002. There are no exceptions to the policy of securing pre-approval of our audit committee for any service provided by our independent accounting firm.

SHAREHOLDER PROPOSALS AND COMMUNICATION WITH THE BOARD OF DIRECTORS

Any shareholder desiring to present a proposal to be included in Nobility's proxy statement pursuant to Rule 14a-8 for the next annual meeting of the shareholders scheduled to be held in early March 2006, should submit a written copy of such proposal to the principal offices of Nobility no later than October 7, 2005. Notice to Nobility of a shareholder proposal submitted otherwise than pursuant to Rule 14a-8 will be considered untimely if received by

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Nobility after December 6, 2005, and the persons named in proxies solicited by Nobility's board for its annual meeting of shareholders to be held in 2006 may exercise discretionary voting power with respect to any such proposal as to which Nobility does not receive timely notice. Proposals should be submitted by certified mail, return receipt requested.

Shareholders who wish to communicate with the board of directors or with a particular director may send a letter to the Secretary of Nobility at P.O. Box 1659, Ocala, Florida 34478. The mailing envelope should contain a clear notation indicating that the enclosed letter is a "Shareholder-Board Communication" or "Shareholder-Director Communication." All such letters should identify the author as a shareholder and clearly state whether the intended recipients are all members of the board or just certain specified individual directors. The Secretary will make copies of all such letters and circulate them to the appropriate director or directors.

Nobility does not have a formal policy requiring directors to attend annual meetings. However, because the annual meeting generally is held on the same day as a regular board meeting, Nobility anticipates that directors would attend the annual meeting unless, for some reason, they are unable to attend the board meeting on the same date. All directors attended the 2004 annual meeting.

ANNUAL REPORT

A copy of Nobility's annual report for the fiscal year ended November 6, 2004, accompanies this proxy statement. Any shareholder who would like an additional copy of the annual report may obtain one by writing the Treasurer of Nobility at Post Office Box 1659, Ocala, Florida 34478.

13

OTHER MATTERS

Management does not know of any other matters to come before the meeting. However, if any other matters properly come before the meeting, it is the intention of the persons designated as proxies to vote in accordance with their best judgment on such matters.

EXPENSES OF SOLICITATION

The cost of soliciting proxies will be borne by Nobility. Nobility does not expect to pay any compensation for the solicitation of proxies but may reimburse brokers and other persons holding stock in their names, or in the names of nominees, for their expenses of sending proxy material to principals and obtaining their proxies.

Please specify your choices, date, sign and return the enclosed proxy in the enclosed envelope, postage for which has been provided. Prompt response is helpful. Your cooperation will be appreciated.

Date: February 4, 2005

14

APPENDIX A
AUDIT COMMITTEE CHARTER

NOBILITY HOMES, INC.

Purpose

The Audit Committee is appointed by the Board of Directors with the primary purpose of assisting the Board in fulfilling its responsibility to oversee management's conduct of the Company's financial reporting process, including (1) the integrity of the financial statements of the Company, (2) the compliance by the Company with legal and regulatory requirements, and (3) the independence and performance of the Company's internal and external auditors.

In discharging its oversight role, the Committee is empowered to investigate any matter brought to its attention with full access to all books, records, facilities and personnel of the Company and the power to retain outside counsel, auditors or other experts for this purpose. The Board and the Committee are in place to represent the Company's shareholders; accordingly, the outside auditor is ultimately accountable to the Board and the Committee. The Audit Committee may request any officer or employee of the Company or the Company's outside counsel or independent auditor to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.

Membership

The Committee shall be comprised of not less than three member of the Board, and the Committee's composition will meet the requirement of the Audit Committee Policy of the NASD.

According, all of the members will be directors:

1. Who have no relationship to the Company that may interfere with the exercise of their independence from management and the Company; and

2. Who are financially literate or who become financially literate within a reasonable period of time after appointment to the Committee. In addition, at least one member of the Committee shall have accounting or related financial management expertise.

15

Key Responsibilities

The Committee's job is one of oversight and it recognizes that the Company's management is responsible for preparing the Company's financial statements and that the outside auditors are responsible for auditing those financial statements. Additionally, the Committee recognizes that financial management, as well as the outside auditors, have more time, knowledge and more detailed information on the Company than do Committee members; consequently, in carrying out its oversight responsibilities, the Committee is not providing any expert or special assurance as to the Company's financial statements or any

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professional certification as to the outside auditor's work.

The following functions shall be the common recurring activities of the Committee in carrying out its oversight function. These functions are set forth as a guide with the understanding that the Committee may diverge from this guide as appropriate given the circumstances.

The Audit Committee shall:

1. Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.
2. Review the annual audited financial statements with management, including major issues regarding accounting and auditing principles as well as the adequacy of internal controls that could significantly affect the Company's financial statements.
3. Review an analysis prepared by management and the independent auditor of significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements.
4. Review with management and the independent auditor the Company's quarterly financial statements prior to the release of quarterly earnings.
5. Meet periodically with management to review the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures.
6. Review major changes to the Company's auditing and accounting principles and practices as suggested by the independent auditor, internal auditors or management.
7. Recommend to the Board the appointment of the independent auditor, which firm is ultimately accountable to the Audit Committee and the Board.
8. Approve the fees to be paid to the independent auditor.
9. Receive periodic reports from the independent auditor regarding the auditor's independence, discuss such reports with the auditor, and if so determined by the Audit Committee, recommend that the Board take appropriate action to satisfy itself of the independence of the auditor.
10. Evaluate together with the Board the performance of the independent auditor and, if so determined by the Audit Committee, recommend that the Board replace the independent auditor.
11. Review the appointment and replacement of the senior internal auditing executive.
12. Review the significant reports to management prepared by the internal auditing department and management's responses.
13. Meet with the independent auditor prior to the audit to review the planning and staffing of the audit.
14. Obtain from the independent auditor assurance that Section 10A of the Private Securities Litigation reform Act of 1995 has not been implicated.

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15. Obtain reports from management, the Company's senior internal auditing executive and the independent auditor that the Company's subsidiary/foreign affiliated entities are in conformity with applicable legal requirements and the Company's Code of Conduct.

16. Discuss with the independent auditor the matters required to be discussed by Statement on Auditing Standards No. 61 relating to the conduct of the audit.

17. Review with the independent auditor any problems or difficulties the auditor may have encountered and any management letter provided by the auditor and the Company's response to that letter. Such review should include:

- a) Any difficulties encountered during the course of the audit work, including any restrictions on the scope of activities or access to required information.
- b) Any changes required in the planned scope of the internal audit.
- c) The internal audit department responsibilities, budget and staffing.

18. Prepare the report required by the rules of the Securities and Exchange Commission to be included in the Company's annual proxy statement.

19. Advise the Board with respect to the Company's policies and procedures regarding compliance with applicable laws and regulations and with the company's Code of Conduct.

20. Review with the Company's general counsel legal matters that may have a material impact on the financial statements, the Company's compliance policies and any material reports or inquiries received from regulators or governmental agencies.

21. Meet at least annually with the chief financial officer, the senior internal audit executive and the independent auditor in separate executive sessions.

17

22. The Audit Committee shall make regular report to the Board.

While the Audit Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate and are in accordance with generally accepted accounting principles. This is the responsibility of management and the independent auditor. Nor is it the duty of the Audit Committee to conduct investigations, to resolve disagreements, if any, between management and the independent auditor or to assure compliance with laws and regulations and the Company's Code of Conduct.

18

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[X] PLEASE MARK VOTES
AS IN THIS EXAMPLE

REVOCABLE PROXY
NOBILITY HOMES, INC.

PROXY SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS FOR ANNUAL
MEETING OF SHAREHOLDERS MARCH 4, 2005

Proposal 1. Election
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Board o
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The undersigned, having received the Notice of Annual Meeting of Shareholders and Proxy Statement appoints Terry E. Trexler and Jean Etheredge, and each or either of them, as proxies, with full power of substitution and resubstitution, to represent the undersigned and to vote all shares of common stock of Nobility Homes, Inc., which the undersigned is entitled to vote at the Annual Meeting of Shareholders of the Company to be held on March 4, 2005 and at any and all adjournments thereof, in the manner specified.

Terry E. Trexle
Holliday, Rober
Trexler

INSTRUCTION: To wit
individual nominee,
that nominee's name

THIS PROXY WILL B
DIRECTION IS INDICAT
OF THE DIRECTORS.

Should any other
shareholders arise,
authorized to vote t
best judgment in the
Board of Directors i
is to be presented f
than the matters set

Please be sure to sign and date
This Proxy in the box below.

Date

Please sign exact
owners should each s
executor, administra
give full title as s

Shareholder sign above

Co-holder (if any) sign above

Detach above card, sign, date and mail in postage paid envelop
NOBILITY HOMES, INC.

PLEASE ACT PROMPTLY
SIGN, DATE & MAIL YOUR PROXY CARD TODAY
