

Registration No. 333-

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM S-8
REGISTRATION STATEMENT
Under
The Securities Act of 1933

ALPHA INDUSTRIES, INC.
(Exact Name of Registrant as Specified in its Charter)

DELAWARE
(State or Other Jurisdiction of
Incorporation or Organization)

04-2302115
(I.R.S. Employer
Identification Number)

20 SYLVAN ROAD, WOBURN, MASSACHUSETTS 01801 (781) 935-5150
(Address, Including Zip Code, and Telephone Number, Including
Area Code, of Registrant's Principal Executive Offices)

ALPHA INDUSTRIES, INC.
1997 NON-QUALIFIED STOCK OPTION PLAN FOR NON-EMPLOYEE DIRECTORS

(Full Title of the Plan)

STEVEN R. LONDON, ESQUIRE
BROWN, RUDNICK, FREED & GESMER
ONE FINANCIAL CENTER, BOSTON, MASSACHUSETTS 02111
(617) 856-8200
(Name, Address and Telephone Number,
Including Area Code, of Agent for Service)

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to Be Registered	Amount to Be Registered	Proposed Maximum Offering Price Per Share(1)	Proposed Maximum Aggregate Offering Price(1)	Amount of Registration Fee(2)
Common Stock, \$.25 par value	100,000 Shares(2)	\$39.03125	\$3,903,125	\$1,085.07

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(1) The registration fee has been calculated on the basis of the average of the high and low reported price of the Common Stock of \$39.03125 on the Nasdaq National Market on January 20, 1999.

(2) Such presently indeterminable number of additional shares of Common Stock are registered hereunder as may be issued in the event of the merger, consolidation, reorganization, recapitalization, stock dividend, stock split, stock combination or other similar changes in the Common Stock.

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PART II

INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

ITEM 3. INCORPORATION OF DOCUMENTS BY REFERENCE.

The following documents are hereby incorporated by reference into this Registration Statement:

- (a) The Registrant's Annual Report on Form 10-K for the fiscal year ended March 29, 1999 filed pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act");
- (b) All other reports filed by the Registrant pursuant to Section 13(a) or 15(d) of the Exchange Act since the end of the fiscal year covered by the Registrant's Annual Report referred to in (a) above; and
- (c) The description of the Registrant's Common Stock contained in the Registrant's Registration Statement on Form 8-A (Registration No. 0-24357) filed under the Exchange Act with the Securities and Exchange Commission.

All documents filed by the Registrant pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Exchange Act subsequent to the date hereof and prior to the filing of a post-effective amendment which indicates that all securities offered have been sold or which deregisters all securities then remaining unsold shall be deemed to be incorporated by reference in this Registration Statement and to be a part hereof from the date of filing of such documents.

ITEM 4. DESCRIPTION OF SECURITIES.

Not Applicable.

ITEM 5. INTERESTS OF NAMED EXPERTS AND COUNSEL.

Not Applicable.

ITEM 6. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

The Registrant's Restated Certificate of Incorporation includes provisions (i) to eliminate the personal liability of the Registrant's directors to the Registrant or its stockholders for monetary damages resulting from breaches of their fiduciary duty (subject to certain exceptions, such as breach of duty of loyalty to the Registrant or its stockholders), and (ii) to permit the Company to indemnify its directors and officers to the fullest extent permitted by law. The Company's Amended and Restated By-Laws include provisions for mandatory indemnification

of its officers and directors provided certain conditions are met. The Company has directors' and officers' liability insurance.

Section 145 of the General Corporation Law of the State of Delaware authorizes a corporation to indemnify directors, officers, employees or agents of the corporation in non-derivative suits if such party acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interest of the corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful, as determined in accordance with the Delaware General Corporation Law. Section 145 further provides that indemnification shall be provided if the party in question is successful on the merits or otherwise.

The effect of these provisions would be to permit such indemnification by the Company for liabilities arising under the Securities Act of 1933, as amended.

ITEM 7. EXEMPTION FROM REGISTRATION CLAIMED.

Not Applicable.

ITEM 8. EXHIBITS.

NUMBER	DESCRIPTION
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|-------|---|
| 4(a)* | Specimen Certificate of Common Stock (Filed as Exhibit 4(a) to the Registration Statement on Form S-3 (Registration No. 33-63857)). |
| 4(b)* | Frederick County Industrial Development Revenue Bond, Deed of Trust, Loan Agreement and Guaranty and Indemnification Agreement dated June 17, 1982 (Filed as Exhibit 4(g) to the Registration Statement on Form S-8 filed July 29, 1982); and Bond and Loan Document Modification Agreement dated January 9, 1993 (Filed as Exhibit 4(c) to the Quarterly Report on Form 10-Q for the fiscal quarter ended January 26, 1993). |
| 4(c)* | Loan and Security Agreement dated January 15, 1993 between Trans-Tech, Inc., and County Commissioners of Frederick County (Filed as Exhibit 4(h) to the Quarterly Report on Form 10-Q for the fiscal quarter ended July 3, 1994). |
| 4(d)* | Stock Purchase Warrant for 50,000 shares of the Registrant's Common Stock issued to Silicon Valley Bank as of April 1, 1994 (Filed as Exhibit 4(i) to the Quarterly Report on Form 10-Q for the fiscal quarter ended July 3, 1994). |
| 4(e)* | Amended and Restated Credit Agreement dated January 1, 1997 between Alpha Industries, Inc., Trans-Tech Inc., Fleet Bank of Massachusetts, N.A. and Silicon Valley Bank (Filed as Exhibit 4(f) to the Quarterly Report on Form 10-Q for the fiscal quarter ended December 28, 1997). |

- 5 Legal Opinion of Brown, Rudnick, Freed & Gesmer.
- 23(a) Consent of Brown, Rudnick, Freed & Gesmer (contained in its opinion filed as Exhibit 5).
- 23(b) Consent of KPMG Peat Marwick LLP.
- 24 Power of Attorney (included on the Signature Page of this Registration Statement).
- 99 Alpha Industries, Inc. 1997 Non-Qualified Stock Option Plan for Non-Employee Directors

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* Not filed herewith. In accordance with Rule 411 promulgated pursuant to the Securities Act of 1933, as amended, reference is made to the documents previously filed with the Commission, which are incorporated by reference herein.

ITEM 9. UNDERTAKINGS.

(a) The undersigned Registrant hereby undertakes:

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

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

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

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

Provided, however, that paragraphs (a)(1)(i) and (a)(1)(ii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed by the Registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act that are incorporated by reference in this Registration Statement.

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

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

(b) The undersigned Registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the Registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

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

SIGNATURES

THE REGISTRANT. Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Woburn, Commonwealth of Massachusetts, on January 22, 1999.

ALPHA INDUSTRIES, INC.

By: /s/ Thomas C. Leonard

THOMAS C. LEONARD
PRESIDENT

POWER OF ATTORNEY

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

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

Signature -----	Title -----	Date ----
/s/ George S. Kariotis ----- GEORGE S. KARIOTIS	Chairman of the Board	January 22, 1999
/s/ Thomas C. Leonard ----- THOMAS C. LEONARD	President, Chief Executive Officer and Director (Principal Executive Officer)	January 22, 1999

EXHIBIT INDEX

Exhibit Number - - - - -		Sequential Page No. - - - - -
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* Not filed herewith. In accordance with Rule 411 promulgated pursuant to the Securities Act of 1933, as amended, reference is made to the documents previously filed with the Commission, which are incorporated by reference herein.

** Contained in Exhibit 5.

*** Included on the Signature Page of this Registration Statement.

EXHIBIT 5

January 22, 1999

Alpha Industries, Inc.
20 Sylvan Road
Woburn, MA 01801

Re: Alpha Industries, Inc.
Registration Statement on Form S-8

Gentlemen:

We are counsel for Alpha Industries, Inc. (the "Company"). We have been asked to deliver this opinion in connection with the preparation and filing with the Securities and Exchange Commission under the Securities Act of 1933, as amended (the "Act"), of a Registration Statement on Form S-8 (this "Registration Statement") relating to 100,000 shares of the Company's Common Stock, \$.25 par value per share (the "Shares"). This opinion letter, together with Schedule A attached hereto (this "Opinion Letter"), is being rendered in connection with the filing of the Registration Statement.

The 100,000 Shares covered by the Registration Statement are issuable under the Company's 1997 Non-Qualified Stock Option Plan for Non-Employee Directors (the "Plan").

In connection with this Opinion Letter, we have examined and are familiar with originals or copies, certified or otherwise identified to our satisfaction, of the following documents (collectively, the "Documents"):

1. a certificate from the Secretary of State of the State of Delaware dated January 21, 1999 as to the legal existence and good standing of the Company;
2. a copy of the Restated Certificate of Incorporation of the Company, as amended to date, and a certificate of the Secretary that there have been no further amendments thereto;
3. a copy of the By-laws of the Company, as amended to date, certified by the Secretary of the Company as presently being in effect;
4. the corporate minute books or other records of the Company pertaining to the proceedings of the stockholders and directors of the Company;
5. the Plan;

6. a letter from the Company's transfer agent as to the issued and outstanding shares of the Company's Common Stock, \$.25 par value per share; and

7. the Registration Statement.

We have assumed, for the purposes of our opinion herein, that any conditions to the issuance of the Shares under the Plan have been or will be satisfied in full.

We have, without independent investigation, relied upon the representations and warranties of the various parties as to matters of objective fact contained in the Documents.

In addition, this Firm, in rendering legal opinions, customarily makes certain assumptions which are described in Schedule A hereto. In the course of our representation of the Company in connection with the preparation of the Registration Statement, nothing has come to our attention which causes us to believe reliance upon any of these assumptions is inappropriate, and, with your concurrence, the opinions hereafter expressed are based upon those assumptions. The Enumerated Party referred to in Schedule A is the Company.

We have not made any independent review or investigation of orders, judgments, rules or other regulations or decrees by which the Company or any of its property may be bound, nor have we made any independent investigation as to the existence of actions, suits, investigations or proceedings, if any, pending or threatened against the Company.

With your concurrence, our opinion hereafter expressed is based solely upon (1) our review of the Documents, (2) discussions with those of our attorneys who have devoted substantive attention to the preparation of the Registration Statement, and (3) such review of published sources of law as we have deemed necessary.

Our opinions contained herein are limited to the laws of the Commonwealth of Massachusetts, the General Corporation Law of the State of Delaware and the Federal law of the United States of America.

We express no legal opinion upon any matter other than those explicitly addressed below, and our express opinion therein contained shall not be interpreted to be an implied opinion upon any other matter.

Based upon and subject to the foregoing, we are of the opinion that the Shares have been duly authorized and, when issued and paid for in accordance with the terms and conditions of the Plan, the Shares will be validly issued, fully paid, and non-assessable.

We hereby consent to the reference to this firm in the Registration Statement and to the filing of this opinion as Exhibit 5 to the Registration Statement.

Very truly yours,

BROWN, RUDNICK, FREED & GESMER, P.C.

By: /s/ Steven R. London

Steven R. London, a Member

SCHEDULE A

BROWN, RUDNICK, FREED & GESMER
STANDARD ASSUMPTIONS

In rendering legal opinions, Brown, Rudnick, Freed & Gesmer makes certain customary assumptions described below:

1. Each natural person executing any of the Documents has sufficient legal capacity to enter into such Documents.
2. Each Document is accurate, complete and authentic, each original is authentic, each copy conforms to an authentic original and all signatures are genuine.
3. All official public records are accurate, complete and properly indexed and filed.
4. There has not been any mutual mistake of fact or misunderstanding, fraud, duress, or undue influence by or among any of the parties to the Documents.
5. The conduct of the parties to the Documents has complied in the past and will comply in the future with any requirement of good faith, fair dealing and conscionability.
6. The Enumerated Party will obtain all permits and governmental approvals required in the future and take all actions similarly required relevant to its performance of its obligations under the Documents.
7. All parties to or bound by the Documents will act in accordance with, and will refrain from taking any action that is forbidden by, the terms and conditions of the Documents.
8. There are no agreements or understandings among the parties to or bound by the Documents, and there is no usage of trade or course of prior dealing among such parties, that would define, modify, waive, or qualify the terms of any of the Documents.

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

The Board of Directors
Alpha Industries, Inc.:

We consent to the incorporation by reference in this Registration Statement on Form S-8 for the Alpha Industries, Inc. 1997 Non-Qualified Stock Option Plan for Non-Employee Directors of our audit report dated May 6, 1998 on the consolidated financial statements of Alpha Industries, Inc. and subsidiaries as of March 29, 1998 and for each of the years in the three-year period then ended and to the reference to our firm under the heading "Experts" in the prospectus.

/s/ KPMG Peat Marwick LLP
- - - - -

Boston, Massachusetts
January 21, 1999

ALPHA INDUSTRIES, INC.
1997 NON-QUALIFIED STOCK OPTION PLAN
FOR NON-EMPLOYEE DIRECTORS

1. PURPOSE. The appropriate purpose of this 1997 Non-Qualified Stock Option Plan for Non-Employee Directors is to attract and retain the services of experienced and knowledgeable independent directors of the Corporation for the benefit of the Corporation and its stockholders and to provide additional incentives for such independent directors to continue to work for the best interests of the Corporation and its stockholders through continuing ownership of its common stock.

2. DEFINITIONS. As used herein, each of the following terms has the indicated meaning:

"Annual Meeting" means the Corporation's annual meeting of stockholders or special meeting in lieu of annual meeting of stockholders at which one or more directors are elected.

"Board" means the Board of Directors of the Corporation.

"Corporation" means Alpha Industries, Inc.

"Fair Market Value" means the closing sale price quoted on the American Stock Exchange or such other national securities exchange or automated quotation system on which the Shares may be traded or quoted on the date of the granting of the Option.

"Non-Employee Director" means a person who, as of any applicable date, is a member of the Board and (i) is not an officer of the Corporation or a Subsidiary, or otherwise employed by the Corporation or a Subsidiary, (ii) does not receive compensation, either directly or indirectly, from the Corporation or a Subsidiary, for services rendered as a consultant or in any capacity other than as a member of the Board, except for an amount that does not exceed the dollar amount for which disclosure would be required pursuant to Rule 404(a) of Regulation S-K ("Regulation S-K") promulgated pursuant to the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended (the "1934 Act"), (iii) does not possess an interest in any other transaction for which disclosure would be required pursuant to Rule 404(a) of Regulation S-K, and (iv) is not engaged in a business relationship for which disclosure would be required pursuant to Rule 404(b) of Regulation S-K.

"Option" means the contractual right to purchase Shares upon the specific terms set forth in this Plan.

"Option Exercise Period" means the period commencing one (1) year after the date of grant of an Option pursuant to this Plan and ending ten years from the date of grant.

"Plan" means this Alpha Industries, Inc. 1997 Non-Qualified Stock Option Plan for Non-Employee Directors.

"Shares" means the Common Stock, \$.25 par value per share, of the Corporation.

"Subsidiary" means any corporation in an unbroken chain of corporations beginning with the Corporation if, at the time of grant of the Option, each of the corporations other than the last in the unbroken chain owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

3. STOCK SUBJECT TO THE PLAN. The aggregate number of Shares that may be issued and sold under the Plan shall be 100,000. The Shares to be issued upon exercise of Options granted under this Plan shall be made available, at the discretion of the Board, from (i) treasury Shares and Shares reacquired by the Corporation for such purposes, including Shares purchased in the open market, (ii) authorized but unissued Shares, and (iii) Shares previously reserved for issuance upon exercise of Options which have expired or been terminated. If any Option granted under this Plan shall expire or terminate for any reason without having been exercised in full, the unpurchased Shares covered thereby shall become available for grant under additional Options under the Plan so long as it shall remain in effect.

4. ADMINISTRATION OF THE PLAN. The Plan shall be administered by the Board. The Board shall have the authority to adopt, alter and repeal such administrative rules, guidelines and practices governing the Plan as it shall, from time to time, deem advisable, to interpret the terms and provisions of the Plan and any Option issued under the Plan (and any agreement relating thereto) and to otherwise supervise the administration of the Plan.

5. ELIGIBILITY. Options shall be granted only to Non-Employee Directors.

6. GRANT OF OPTIONS.

(a) On the effective date of this Plan, each Non-Employee Director shall be granted an Option to purchase 15,000 Shares.

(b) Each year, immediately following the Corporation's Annual Meeting, each then Non-Employee Director shall be granted an Option to purchase 5,000 Shares.

(c) Upon initial election by the stockholders or appointment by the Board as a Non-Employee Director, immediately following the Annual Meeting at which such Non-Employee Director is first elected by the stockholders or immediately following the meeting of the Board at which such Non-Employee Director is appointed by the Board, each Non-Employee Director shall be granted an Option to purchase 15,000 Shares .

7. TERMS OF OPTIONS AND LIMITATIONS THEREON.

(a) OPTION AGREEMENT. Each Option granted under this Plan shall be evidenced by an Option agreement between the Corporation and the Option holder and shall be upon such terms and conditions, not inconsistent with this Plan, as the Board may determine.

(b) PRICE. The price at which any Shares may be purchased pursuant to the exercise of an Option shall be the greater of the Fair Market Value of the Shares on the date of grant or par value.

(c) EXERCISE OF OPTION. Each Option granted under this Plan may be exercised as follows:

(i) beginning on the first anniversary of the date of grant, for up to 20% of the Shares covered by the Option; and

(ii) beginning on each anniversary of the date of grant thereafter, for up to an additional 20% of such Shares for each additional year, until, on the fifth anniversary of the date of grant, the Option may be exercised as to 100% of the Shares covered by the Option, until the expiration of the Option Exercise Period.

Options may be exercised in whole or in part, from time to time, only during the Option Exercise Period, by the giving of written notice, signed by the holder of the Option, to the Corporation stating the number of Shares with respect to which the Option is being exercised, accompanied by full payment for such Shares pursuant to section 8(a) hereof; provided however, (i) if a person to whom an Option has been granted ceases to be a Non-Employee Director during the Option Exercise Period by reason of retirement, death or any reason, other than termination for cause, such Option shall be exercisable by him or her or by the executors, administrators, legatees or distributees of his or her estate until the earlier of (A) the end of the Option Exercise Period or (B) 12 months following his or her retirement or death or the date on which he or she ceased to be a Non-Employee Director; and (ii) if a person to whom an Option has been granted ceases to be a Non-Employee Director of the Corporation by reason of termination for cause, such Option shall terminate as of the date such person ceased to be a Non-Employee Director. Termination for cause shall be defined as termination on account of any act of (i) fraud or intentional misrepresentation, or (ii) embezzlement, misappropriation or conversion of assets or opportunities of the Corporation or any Subsidiary.

(d) NON-ASSIGNABILITY. No Option, or right or interest in an Option, shall be assignable or transferable by the holder, except by will, the laws of descent and distribution or pursuant to a qualified domestic relations order (as defined in the Internal Revenue Code of 1986, as amended, or Title I of the Employee Retirement Income Security Act of 1974, as amended, or the rules thereunder), and during the lifetime of the holder shall be exercisable only by him or her.

8. PAYMENT.

(a) The purchase price of Shares upon exercise of an Option shall be paid by the Option holder in full upon exercise, and may be paid (i) in cash, (ii) by delivery of Shares valued at Fair Market Value on the date of exercise, including, to the extent permitted under the Rule 16b-3 as defined in Paragraph 12(c), below, exempting certain transactions from the short swing trading provisions of Section 16 of the 1934 Act, by way of so-called "cashless exercise" and the netting of the number of Shares issuable upon exercise against that number of Shares subject to the Option having an aggregate Fair Market Value equal to the aggregate exercise price, or (iii) any combination of cash and Shares, as the Board may determine.

(b) No Shares shall be granted under this Plan or issued or transferred upon exercise of any Option under this Plan unless and until all legal requirements applicable to the issuance or transfer of such Shares, and such other requirements as are consistent with the Plan, have been complied with to the satisfaction of the Board, including without limitation those described in Paragraph 12 hereof.

9. STOCK ADJUSTMENTS.

(a) If the Corporation is a party to any merger or consolidation, any purchase or acquisition of property or stock, or any separation, reorganization or liquidation, the Board (or, if

the Corporation is not the surviving corporation, the board of directors of the surviving corporation) shall have the power to make arrangements, which shall be binding upon the holders of unexpired Options, for the substitution of new options for, or the assumption by another corporation of, any unexpired Options then outstanding hereunder.

(b) If by reason of recapitalization, reclassification, stock split, combination of shares, separation (including a spin-off) or dividend on the stock payable in Shares, the outstanding Shares of the Corporation are increased or decreased or changed into or exchanged for a different number or kind of shares or other securities of the Corporation, the Board shall conclusively determine the appropriate adjustment in the exercise prices of outstanding Options and in the number and kind of shares as to which outstanding Options shall be exercisable, in such manner as to result in the Options being exercisable.

(c) In the event of a transaction of the type described in paragraphs (a) and (b) above, the total number of Shares on which Options may be granted under this Plan shall be appropriately adjusted by the Board.

10. CHANGE OF CONTROL PROVISIONS.

(a) Notwithstanding any other provision of the Plan to the contrary, in the event of a Change of Control, any Options outstanding as of the date such Change of Control is determined to have occurred and not then exercisable shall become fully exercisable to the full extent of the original grant.

(b) A "Change of Control" shall mean:

(i) there shall have been consummated (a) any consolidation or merger of the Corporation in which the Corporation is not the continuing or surviving entity pursuant to which the Shares are converted into cash, securities or other property, other than a merger of the Corporation in which the ownership by the Corporation's stockholders of the securities in the surviving entity is in the same proportion as the ownership by the Corporation's stockholders of the stock in the Corporation immediately prior to the merger or (b) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all or substantially all of the assets of the Corporation; or

(ii) the stockholders of the Corporation have approved any plan or proposal for the liquidation or dissolution of the Corporation; or

(iii) any person (as that term is used in Sections 13(d) and 14(d)(2) of the 1934 Act) has become the beneficial owner (within the meaning of Rule 13d-3 promulgated under the 1934 Act) of 30% or more of the Corporation's outstanding Shares; or

(iv) that during any period of two consecutive years, individuals who, at the beginning of such period, constitute the entire Board shall cease, for any reason, to constitute a majority thereof, unless the election, or the nomination for election by the Corporation's stockholders, of each new director was approved by a vote of at least three-quarters of the directors then still in office who were directors at the beginning of the period.

11. NO RIGHTS OTHER THAN THOSE EXPRESSLY CREATED. No person affiliated with the Corporation or any Subsidiary or other person shall have any claim or right to be granted an Option hereunder. Neither this Plan nor any action taken hereunder shall be construed as (i) giving any Option holder any right to continue to be affiliated with the Corporation, (ii) giving

any Option holder any equity or interest of any kind in any assets of the Corporation, or (iii) creating a trust of any kind or a fiduciary relationship of any kind between the Corporation and any such person. No Option holder shall have any of the rights of a stockholder with respect to Shares covered by an Option, until such time as the Option has been exercised and Shares have been issued to such person.

12. MISCELLANEOUS.

(a) WITHHOLDING OF TAXES. Pursuant to applicable federal, state, local or foreign laws, the Corporation may be required to collect income or other taxes upon the grant of an Option to, or exercise of an Option by, a holder. The Corporation may require, as a condition to the exercise of an Option, that the recipient pay the Corporation, at such time as the Board determines, the amount of any taxes which the Board may determine is required to be withheld.

(b) SECURITIES LAW COMPLIANCE. Upon exercise of an Option, the holder shall be required to make such representations and furnish such information as may, in the opinion of counsel for the Corporation, be appropriate to permit the Corporation to issue or transfer the Shares in compliance with the provisions of applicable federal or state securities laws. The Corporation, in its discretion, may postpone the issuance and delivery of Shares, upon any exercise of an Option, until completion of such registration or other qualification of such Shares under any federal or state laws, or stock exchange listing, as the Corporation may consider appropriate. The Corporation intends to register or qualify the Shares under federal and state securities laws, but is not obligated to register or qualify the Shares under such laws and may refuse to issue such Shares if neither registration nor exemption therefrom is practical. The Board may require that prior to the issuance or transfer of any Shares upon exercise of an Option, the recipient enter into a written agreement to comply with any restrictions on subsequent disposition that the Board or the Corporation deems necessary or advisable under any applicable federal and state securities laws. Certificates representing the Shares issued hereunder may contain a legend reflecting such restrictions.

(c) COMPLIANCE WITH RULE 16b-3. With respect to a person subject to Section 16 of the 1934 Act, transactions under this Plan are intended to comply with all applicable conditions of Rule 16b-3 or its successors ("Rule 16b-3") under the 1934 Act. To the extent any provision of the Plan or action by the administrators of the Plan fails to so comply, it shall be deemed null and void, to the extent permitted by law and deemed advisable by the administrators of the Plan.

(d) INDEMNITY. The Board shall not be liable for any act, omission, interpretation, construction or determination made in good faith in connection with their responsibilities with respect to the Plan, and the Corporation hereby agrees to indemnify the members of the Board, in respect of any claim, loss, damage, or expense (including counsel fees) arising from any such act, omission, interpretation, construction or determination, to the full extent permitted by law.

(e) OPTIONS NOT DEEMED INCENTIVE STOCK OPTIONS. Options granted under the Plan shall not be deemed incentive stock options as that term is defined in Section 422 of the Internal Revenue Code of 1986, as amended.

13. EFFECTIVE DATE; AMENDMENT; TERMINATION.

(a) The effective date of this Plan shall be the date of the approval of the Board.

(b) The Board may at any time, and from time to time, amend, suspend or terminate this Plan in whole or in part, provided, however, that the provisions of this Plan relating to the amount and price of securities to be awarded and the timing of such awards may not be amended more than once every six months, other than to comport with changes in the Internal Revenue Code, the Employee Retirement Income Security Act, or the rules thereunder. However, except as provided herein, no amendment, suspension or termination of this Plan may affect the rights of any person to whom an Option has been granted without such person's consent.

(d) This Plan shall terminate ten years from its effective date, and no Option shall be granted under this Plan thereafter, but such termination shall not affect the validity of Options granted prior to the date of termination.

Date of Board of Directors Adoption: September 15, 1997