

PART II

INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

ITEM 3. INCORPORATION OF DOCUMENTS BY REFERENCE.

The following documents, which have been heretofore filed by the Registrant with the Securities and Exchange Commission (the "Commission") pursuant to the Securities Exchange Act of 1934, as amended (the "Exchange Act"), are incorporated by reference herein:

(a) The Registrant's Annual Report on Form 10-K for the year ended December 31, 1994;

(b) The Registrant's Quarterly Reports on Form 10-Q for the quarters ended March 31, 1995, June 30, 1995 and September 30, 1995 and Current Reports on Form 8-K filed January 26, 1995, February 21, 1995, March 2, 1995 (two reports on this date), March 21, 1995 (amended by Form 8-K/A Amendment No. 1 filed March 21, 1995), March 27, 1995, April 24, 1995, April 25, 1995, May 16, 1995, July 10, 1995, July 24, 1995, August 31, 1995, September 20, 1995, October 20, 1995 (two reports on this date), and November 9, 1995; and

(c) The description of the Registrant's Common Stock contained in its registration statement filed pursuant to Section 12 of the Exchange Act, and any amendment or report filed for the purpose of updating such description.

All documents filed by the Registrant with the Commission pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Exchange Act subsequent to the effectiveness of this Registration Statement and prior to the filing of a post-effective amendment hereto that either indicates that all securities offered hereby have been sold or register 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. Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Registration Statement to the extent that a statement contained herein or in any other subsequently filed document that also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Registration Statement.

The Registrant will provide without charge to each person to whom a Prospectus constituting a part of this Registration Statement is delivered, on the written or oral request of any such person, a copy of any or all of the documents incorporated herein by reference (other than exhibits to such documents which are not specifically incorporated by reference in such documents). Written requests for such copies should be directed to Charles J. Cooley, Principal Corporate Personnel Officer, NationsBank Corporation, NationsBank Corporate Center, 100 North Tryon Street, Charlotte, North Carolina 28255. Telephone requests may be directed to (704) 386-5000.

ITEM 5. INTERESTS OF NAMED EXPERTS AND COUNSEL.

The legality of the Registrant's Common Stock to be issued in connection with the Intercontinental Bank ISO Plan, the Intercontinental Bank NSO Plan and the Intercontinental Bank 1992 Stock Option Plan has been passed upon by Smith Helms Mulliss & Moore, L.L.P., Charlotte, North Carolina. As of the date of this Post-Effective Amendment No. 1 on Form S-8, certain attorneys of Smith Helms Mulliss & Moore, L.L.P. beneficially owned an aggregate of approximately 50,000 shares of the Registrant's Common Stock.

ITEM 6. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

There are no provisions in the Registrant's Restated Articles of Incorporation, and no contracts between the Registrant and its directors and officers, relating to indemnification. The Registrant's Restated Articles of Incorporation prevent the recovery by the Registrant of monetary damages against its directors. However, in accordance with the provisions of the North Carolina Business Corporation Act (the "Act"), the Registrant's Amended and Restated Bylaws provide that, in addition to the indemnification of directors and officers otherwise provided by the Act, the Registrant shall, under certain circumstances, indemnify its directors, executive

officers and certain other designated officers against any and all liability and litigation expense, including reasonable attorneys' fees, arising out of their status or activities as directors and officers, except for liability or litigation expense incurred on account of activities that were at the time known or reasonably should have been known by such director or officer to be clearly in conflict with the best interests of the Registrant. Pursuant to such Bylaws and as authorized by statute, the Registrant maintains insurance on behalf of its directors and officers against liability asserted against such persons in such capacity whether or not such directors or officers have the right to indemnification pursuant to the Bylaws or otherwise.

In addition to the above-described provisions, Sections 55-8-50 through 55-8-58 of the Act contain provisions prescribing the extent to which directors and officers shall or may be indemnified. Section 55-8-51 of the Act permits a corporation, with certain exceptions, to indemnify a current or former director against liability if (i) he conducted himself in good faith, (ii) he reasonably believed (x) that his conduct in his official capacity with the corporation was in its best interests and (y) in all other cases his conduct was at least not opposed to the corporation's best interests, and (iii) in the case of any criminal proceeding, he had no reasonable cause to believe his conduct was unlawful. A corporation may not indemnify a current or former director in connection with a proceeding by or in the right of the corporation in which the director was adjudged liable to the corporation or in connection with a proceeding charging improper personal benefit to him in which he was adjudged liable on such basis. The above standard of conduct is determined by the Board of Directors or a committee thereof, special legal counsel or the shareholders as prescribed in Section 55-8-55 of the Act.

Sections 55-8-52 and 55-8-56 of the Act require a corporation to indemnify a director or officer in the defense of any proceeding to which he was a party because of his capacity as a director or officer against reasonable expenses when he is wholly successful in his defense, unless the articles of incorporation provide otherwise. Upon application, the court may order indemnification of the director or officer if he is adjudged fairly and reasonably so entitled under Section 55-8-54. Section 55-8-56 of the Act allows a corporation to indemnify and advance to an officer, employee or agent who is not a director to the same extent as a director or as otherwise set forth in the corporation's articles of incorporation or bylaws or by a resolution of the board of directors.

In addition, Section 55-8-57 of the Act permits a corporation to provide for indemnification of directors, officers, employees or agents, in its articles of incorporation or bylaws or by contract or resolution, against liability in various proceedings and to purchase and maintain insurance policies on behalf of these individuals.

The foregoing is only a general summary of certain aspects of North Carolina law dealing with indemnification of directors and officers and does not purport to be complete. It is qualified in its entirety by reference to the relevant statutes which contain detailed specific provisions regarding the circumstances under which and the person for whose benefit indemnification shall or may be made and accordingly are incorporated herein by reference.

ITEM 8. EXHIBITS.

The following exhibits are filed with or incorporated by reference in this Registration Statement.

EXHIBIT NO.	DESCRIPTION OF EXHIBIT
5.1	Opinion of Smith Helms Mulliss & Moore, L.L.P. as to the legality of the securities. *
23.1	Consent of Price Waterhouse LLP.
23.2	Consent of Smith Helms Mulliss & Moore, L.L.P. (included in Exhibit 5.1).*
24.1	Power of Attorney and Certified Resolutions. *
99.1	Intercontinental Bank ISO Plan.

- 99.2 Intercontinental Bank NSO Plan.
- 99.3 Intercontinental Bank 1992 Stock Option Plan.
- 99.4 Provisions of North Carolina law regarding indemnification of directors and officers (incorporated herein by reference to Exhibit 99.1 of the NationsBank Corporation Registration Statement on Form S-3 (Registration No. 33-63097) filed on September 29, 1995.)

* Previously filed as an exhibit to the Registrant's Registration Statement on Form S-4 to which this is Post-Effective Amendment No. 1

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 the 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. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20 percent change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective Registration Statement;

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

Provided, however, that paragraphs (a)(1)(i) and (a)(1)(ii) do not apply if the Registration Statement is on Form S-3 or Form S-8, and 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 Exchange Act that are incorporated by reference in the Registration Statement.

(2) That, for the purpose of determining any liability under the Securities Act, 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, each filing of the Registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Exchange Act (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Exchange Act) 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 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 Commission such indemnification is against public policy as expressed in the Securities 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 Securities Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this Post-Effective Amendment No. 1 to the Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Charlotte, State of North Carolina, on December 14, 1995.

NATIONSBANK CORPORATION

By: HUGH L. MCCOLL, JR.*
 Hugh L. McColl, Jr.
 Chairman of the Board and
 Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, this Post-Effective Amendment No. 1 to the Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

SIGNATURE	TITLE	DATE
HUGH L. MCCOLL, JR.* Hugh L. McColl, Jr.	Chairman of the Board, Chief Executive Officer and Director (Principal Executive Officer)	December 14, 1995
JAMES H. HANCE, JR.* James H. Hance, Jr.	Vice Chairman and Chief Financial Officer (Principal Financial Officer)	December 14, 1995
MARC D. OKEN* Marc D. Oken	Executive Vice President and Chief Accounting Officer (Principal Accounting Officer)	December 14, 1995
RONALD W. ALLEN* Ronald W. Allen	Director	December 14, 1995
WILLIAM M. BARNHARDT* William M. Barnhardt	Director	December 14, 1995
THOMAS E. CAPPS* Thomas E. Capps	Director	December 14, 1995
CHARLES W. COKER* Charles W. Coker	Director	December 14, 1995
THOMAS G. COUSINS* Thomas G. Cousins	Director	December 14, 1995

ALAN T. DICKSON* Alan T. Dickson	Director	December 14, 1995
W. FRANK DOWD, JR.* W. Frank Dowd, Jr.	Director	December 14, 1995
PAUL FULTON* Paul Fulton	Director	December 14, 1995
L. L. GELLERSTEDT, JR.* L. L. Gellerstedt, Jr.	Director	December 14, 1995
TIMOTHY L. GUZZLE* Timothy L. Guzzle	Director	December 14, 1995
W. W. JOHNSON* W. W. Johnson	Director	December 14, 1995
BUCK MICKEL* Buck Mickel	Director	December 14, 1995
JOHN J. MURPHY* John J. Murphy	Director	December 14, 1995
JOHN C. SLANE* John C. Slane	Director	December 14, 1995
JOHN W. SNOW* John W. Snow	Director	December 14, 1995
MEREDITH R. SPANGLER* Meredith R. Spangler	Director	December 14, 1995
ROBERT H. SPILMAN* Robert H. Spilman	Director	December 14, 1995
RONALD TOWNSEND* Ronald Townsend	Director	December 14, 1995
E. Craig Wall, Jr.	Director	December __, 1995
JACKIE M. WARD* Jackie M. Ward	Director	December 14, 1995

*By: /S/ CHARLES M. BERGER
Charles M. Berger
Attorney-in-Fact

EXHIBIT 23.1

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Post-Effective Amendment No. 1 on Form S-8 to the Registration Statement on Form S-4 (Registration No. 33-62069) of NationsBank Corporation of our report dated January 13, 1995, which appears on page 57 of the 1994 Annual Report to Shareholders of NationsBank Corporation, which is incorporated by reference in NationsBank Corporation's Annual Report on Form 10-K for the year ended December 31, 1994.

PRICE WATERHOUSE LLP
Charlotte, North Carolina
December 14, 1995

AMENDMENT TO
ATICO FINANCIAL CORPORATION

1984 STOCK OPTION PLAN
DATED: JANUARY 26, 1984

Pursuant to a resolution adopted by the Board of Directors of INTERCONTINENTAL BANK (ICB), at its meeting held on February 28, 1991, and in contemplation of a proposed merger of ATICO FINANCIAL CORPORATION (AFC) into ICB, which merger became effective March 30, 1991, the ATICO FINANCIAL CORPORATION 1984 Stock Option Plan dated January 26, 1984, is hereby amended as follows:

1. The ATICO FINANCIAL CORPORATION 1984 Stock Option Plan is hereby adopted by ICB.
2. The ATICO FINANCIAL CORPORATION 1984 Stock Option Plan is amended to change its name to the INTERCONTINENTAL BANK ISO Plan.
3. The ATICO FINANCIAL CORPORATION 1984 Plan is further amended to increase the number of shares reserved for issuance thereunder to 325,000.
4. The ATICO FINANCIAL CORPORATION 1984 Plan is further amended to designate the shares to be issued under the INTERCONTINENTAL BANK ISO Plan as shares of ICB Common Stock, and to convert options outstanding under the ATICO FINANCIAL CORPORATION 1984 Plan to acquire shares of AFC Common Stock, to options under the INTERCONTINENTAL BANK I.S.O. Plan to purchase shares of ICB Common Stock, under the same terms and conditions as the AFC incentive options.
5. The ATICO FINANCIAL CORPORATION 1984 Stock Option Plan is further amended to reflect that all references therein to "the Company" shall, effective March 30, 1991, refer to ICB.

ATICO FINANCIAL CORPORATION

1984 STOCK OPTION PLAN

DATED: JANUARY 26, 1984

I. PURPOSE

The purpose of this Plan is to provide a means whereby selected key employees of Atico Financial Corporation (the "Company") and its subsidiaries may, as an incentive to service or continued service with the Company or a subsidiary, be given an opportunity to acquire Common Stock of the Company, thereby giving them a proprietary interest in the Company, increasing their interest in its success, and encouraging them to remain in its employ.

As used in the Plan, the terms "parent" and "subsidiary" shall have the meanings ascribed to the terms "parent corporation" and "subsidiary corporation" in Section 425 of the Internal Revenue Code, as amended (the "Code").

II. ADMINISTRATION

The Plan shall be administered by the Board of Directors of the Company, or by such Committee (the "Committee") of three or more Directors as the Board of Directors may from time to time appoint, in either case excluding Directors who are eligible to receive options under the plan unless such Directors have for the time being disclaimed eligibility to receive them.

Subject to the express provisions of the Plan, the Board of Directors or the Committee, as the case may be, shall have authority, in its discretion, to determine the individuals to whom options shall be granted, the time or times at which such options shall be granted, the number of shares to be covered by each such option, the option price, and the installments in which and the periods during which each such option shall be exercisable; provided, however, that in exercising such discretion with respect to participation of Directors of the Company, if such exercise be by the Board of Directors, a majority of the Board of Directors and a majority of the Directors acting in the matter, or, if such exercise be by the Committee, all of the members of the Committee, shall be persons who are not at the time such discretion is exercised eligible and

have not at any time within one year prior thereto been eligible as persons to whom stock might be allocated or to whom stock options or stock appreciation rights might be granted pursuant to the Plan or any other plan of the Company or of any other corporation controlling, controlled by, or under common control with, the Company, entitling the participants therein to acquire stock, or stock options or stock appreciation rights of the Company or any such other corporation.

Subject to the express provisions of the Plan, the Board of Directors shall also have the authority to construe and interpret the Plan, to prescribe, amend and rescind rules and regulations relating to it, to adopt and revise from time to time and to construe and interpret the form of the options to be granted under the Plan (which need not be identical) and to make all other determinations necessary or advisable for the administration of the Plan. The Board of Directors may correct any defect or supply any omission or reconcile any inconsistency in the Plan or any option, in the manner and to the extent it shall deem expedient to carry it into effect, and it shall be the sole and final judge of such expediency.

The determination of the Board of Directors and those of the Committee on the matters referred to in this Section II shall be conclusive.

III. SHARES SUBJECT TO THE PLAN

The shares to be sold under the Plan may be shares of the Company's authorized but unissued Common Stock or issued shares of such Common Stock reacquired by the Company at any time, as the Board of Directors from time to time may determine; provided, however, that unless and until the Board of Directors shall determine to repurchase shares or to use treasury shares for the purposes of the Plan, the shares sold under the Plan shall be authorized and unissued shares reserved for that purpose.

Subject to adjustment as provided in Section XI hereof, the maximum aggregate number of shares for which options may be granted under the Plan is 100,000 shares of the Company's Common Stock, as constituted at the date of the Plan.

If any option granted under the Plan shall expire or terminate in any manner or for any reason (including termination by voluntary surrender) without having been exercised in full, the number of shares of Common Stock as to which such option shall not have been exercised shall again be available for the purposes of the Plan.

IV. ELIGIBILITY FOR AND GRANT OF OPTIONS

An option may be granted to any person (including any Director or any officer of the Company) who, at the time such granting, is a key employee of the Company or any subsidiary.

Options granted under the Plan shall be incentive stock options. Each incentive stock option is intended to qualify as and shall comply with all the requirements of an "incentive stock option" in Section 422A of the Code.

An incentive stock option may be granted only to a person who, at the time the option is granted, does not own stock possessing more than 10% of the total combined voting power of all classes of stock of the Company or any parent or subsidiary; provided, however, that this paragraph shall not apply if at the time the option is granted the option price is at least 110% of the fair market value of the shares of Common Stock subject to the option and the option by its terms is not exercisable after the expiration of 5 years from the date the option is granted. For purposes of this paragraph, a person shall be considered as owning the stock owned, directly or indirectly, by or for his or her brothers or sisters (whether by the whole or half blood), spouse, ancestors, and lineal descendants; and stock owned, directly or indirectly, by or for a corporation partnership, estate or trust shall be considered as being owned proportionately by or for its shareholders, partners, or beneficiaries.

The aggregate fair market value (determined as of the time the option is granted) of the stock for which any employee may be granted incentive stock options within the meaning of Section 422A of the Code in any calendar year under the Plan and all other plans of the Company and any parent or subsidiary shall not exceed \$100,000 plus any unused limit carryover, calculated under Section 422A(c)(4) of the Code, to such year with respect to such

employee.

V. TERMS OF OPTIONS

Each option shall by its terms be not exercisable after the date determined by the Board of Directors or the Committee, as the case may be, at the time of the granting of the option, and all rights thereunder shall thereupon expire. Such date shall in no event be more than ten years after the date on which the option is granted.

VI. OPTION PRICE * See Amendment dated January 27, 1989

In the case of each option granted under the Plan, the purchase price or prices of the Common Stock of the Company called for by the option shall be determined by the Board of Directors or the Committee, as the case may be, and shall be not less than 100% of the fair market value, as determined by the Board of Directors or the Committee, of the Common Stock of the Company on the date of granting of the option. The purchase price shall be paid in full upon the exercise of the option, either in cash or by delivery of then outstanding shares of Common Stock of the Company or a combination thereof, at the election of the person exercising the option. Common Stock delivered for this purpose shall be valued at the mean between the high and low prices as reported on the over the counter market for the date of exercise of the option, or if there is no trading on that day, on the trading day next preceding the date of exercise of the option.

VII. EXERCISE OF OPTIONS

The grantee of an option must remain in the continuous employ of the Company or a subsidiary for a period of one year from the date the option is granted before becoming entitled to exercise the option as to any part of the shares covered thereby. Thereafter, the option shall become exercisable as to the shares covered thereby in one or more installments (which need not be equal), and upon such conditions, limitations and restrictions, as shall be determined by the Board of Directors or the Committee at the time of the granting of the option, and specified in the option; provided, however, that, except as set forth in Section IX and X, no option may be exercised unless the grantee of the option has been in the employ of the Company or a subsidiary continuously from the date of granting of the option to the date of exercise.

Each incentive stock option under the Plan by its terms shall not be exercisable while there is outstanding (within the meaning hereinafter set forth) any incentive stock option theretofore granted to the same person to purchase stock in his employer corporation, or in a corporation which (at the time of the granting of such option) is a parent or subsidiary of his employer corporation, or in a predecessor corporation of any of such corporations. For this purpose, an incentive stock option shall be treated as outstanding until such option is exercised in full or expires by reason of lapse of time.

Shares as to which an option has become exercisable shall be subject to purchase at any time or from time to time thereafter during the remaining term of the option, but not less than 10 shares may be purchased at any one time, except upon the purchase of the remaining balance of shares as to which the option is at the time exercisable

VIII. NON-TRANSFERABILITY OF OPTIONS

Each option granted under the Plan shall by its terms be not transferable by the individual to whom it shall have been granted otherwise than by will or the laws of descent and distribution, and shall be exercisable, during his lifetime, only by him or his guardian or legal representative.

IX. TERMINATION OF EMPLOYMENT

If the grantee of an option ceases to be an employee of the Company or any subsidiary for any reason other than his death or his having been discharged for cause or having terminated his employment in violation of an employment agreement with the Company or the subsidiary, or if the subsidiary by which the grantee of an option is employed ceases to be a subsidiary of the Company, his option shall expire (unless by its terms it expires at an earlier date) three months after the date of such termination (or one year if termination is for disability within the meaning of Section 105(d)(4) of the Code) or after the date

the subsidiary) ceased to be a subsidiary) of the Company, and during such three month period (or one year period if termination was for disability) the option shall be exercisable only to the extent that it was exercisable on the date of termination of employment or on the date that the subsidiary ceased to be a subsidiary of the Company; provided, however, that no option may be exercised after the expiration date specified herein. If the grantee of an option shall be discharged for cause or shall terminate his employment in violation of an employment agreement with the Company or a subsidiary, then his option shall terminate and expire concurrently with the termination of his employment and shall not thereafter be exercisable to any extent. Options granted under the Plan shall not be affected by any change of employment so long as the grantee of the option continues to be an employee of the Company or any of its subsidiaries, and nothing in the Plan or in any option granted under it shall confer any right to continue in the employ of the Company or any of its subsidiaries or interfere in any way with the right of the Company or any subsidiary to terminate any employment at any time.

X. DEATH OF EMPLOYEE

If a grantee of an option dies while he is an employee of the Company or a subsidiary or thereafter at any time while he shall be entitled to exercise any portion thereof, such option may, to the extent that the grantee of the option was entitled to exercise such option on the date of his death, be exercised within two years after his death by the person or persons to whom his rights under the option shall have passed by his will or by the applicable laws of descent and distribution; provided, however, that no option may be exercised after the expiration date specified therein.

XI. ADJUSTMENT UPON CHANGES IN CAPITALIZATION, ETC.

The aggregate number and class of shares subject to the Plan, the number and class of shares subject to each option granted under the Plan, and the price per share (but not the total price) shall be appropriately and equitably adjusted in the event of any reclassification or increase or decrease in the number of the issued shares of Common Stock of the Company by reason of a split-up or consolidation of shares, the payment of stock dividend, a recapitalization, a combination or exchange of shares, or any like capital adjustment; provided, however, that with respect to any incentive stock option any such adjustment shall be made only to the extent it would not constitute a "modification" within the meaning of Section 425(h) of the Code.

If the Company shall be reorganized or shall merge into or consolidate with any other company, the Company will use its best efforts to arrange that each option granted under the Plan shall be adjusted so as to apply to the securities to which a holder of the number of shares of Common Stock subject to the option would have been entitled by reason of such reorganization, consolidation or merger. In the event the attempt of the Company in this regard shall not be successful, or in the event of the proposed dissolution or liquidation or sale of substantially all of the assets of the Company, each option granted under the Plan shall terminate as of a date to be fixed by the Board of Directors; provided that no less than 30 days' written notice of the date so fixed shall be given to each grantee of an option or to the person or persons to whom his rights shall have passed by his will or the applicable laws of descent and distribution, if known to the Company, and each such grantee or such person or persons shall have the right, during the period of 30 days preceding such termination, to exercise the option as to all or any part of the shares covered thereby, including shares as to which such option would not otherwise be exercisable, except that no incentive stock option shall be become exercisable in contravention of any requirement of Section 422A of the Code that is necessary in order to qualify as an "incentive stock option."

Adjustments under this Section XI shall be made by the Board Of Directors, and any determination of the Board shall be binding and conclusive.

XII. TERMINATION

Unless previously terminated by the Board of Directors, this Plan shall terminate on January 25, 1994, but such termination shall not affect any option theretofore granted the Board of Directors of the Company at any time prior to that date may terminate the Plan, or make such changes in it and additions to it as the Board of Directors shall deem advisable; provided,

however, that except as provided in Section XI hereof, the Board of Directors may not, without further approval by the stockholders of the Company increase the maximum number of shares as to which options may be granted under the Plan, as original) adopted or as from time to time amended, or reduce the minimum option price or extend the period during which options may be granted or exercised, or change the class of employees eligible to receive options under the Plan. No termination or amendment of the Plan may, without the consent of the grantee of an option then outstanding and in effect, or, if he shall have died, the person or persons to whom his rights shall have passed by his will or the applicable laws of descent and distribution, terminate such option or materially and adversely affect his rights or the rights of such person or persons under the option.

Article VI above is amended to reflect that upon the exercise of the Option, the Purchase Price may be paid only in cash. This Amendment deletes the previous provision allowing the trade of Stock when exercising the Option.

AMENDMENT TO

ATICO FINANCIAL CORPORATION

1986 STOCK OPTION PLAN
DATED: JANUARY 9, 1987

Pursuant to a resolution adopted by the Board of Directors of INTERCONTINENTAL BANK (ICB), at its meeting of February 28, 1991, and in conjunction with a merger of ATICO FINANCIAL CORPORATION (AFC) into ICB, which merger became effective March 30, 1991, the Atico Financial Corporation 1986 Stock Option Plan, dated January 9, 1987, as previously amended, was further amended as follows:

1. Said Plan is adopted by ICB and the name of the Plan is amended to be known as the INTERCONTINENTAL BANK NSO Plan.

2. The shares to be issued under the INTERCONTINENTAL BANK NSO Plan are designated as shares of ICB Common Stock.

3. All options outstanding under the ATICO FINANCIAL CORPORATION 1986 Plan to purchase shares of AFC Common Stock, are converted to options under the INTERCONTINENTAL BANK NSO Plan to purchase shares of ICB Common Stock, under the same terms and conditions as the AFC non-incentive options.

4. That all references in the ATICO FINANCIAL CORPORATION 1986 Stock Option Plan to "the Company" are hereby changed so that all references to the Company" shall refer to ICB and effective March 30, 1991, the Plan shall be known as the INTERCONTINENTAL BANK NSO Plan.

ATICO FINANCIAL CORPORATION

1986 STOCK OPTION PLAN
DATED: JANUARY 9, 1987

I. PURPOSES

The purposes of the Atico Financial Corporation (the "Company") 1986 Stock Option Plan (the "Plan") are to attract and retain the best available personnel for the Company and its subsidiaries and to provide a means whereby selected key employees of the Company and its subsidiaries may, as an incentive to service or continued service with the Company or a subsidiary, be given an opportunity to acquire Common Stock of the Company, thereby giving them a proprietary interest in the Company, increasing their interest in its success, and encouraging them to remain in its employ. It is intended that options granted under the Plan shall be non-statutory stock options.

As used in the Plan, the term "subsidiary" shall have the meaning ascribed to the term "subsidiary corporation" in Section 425 of the Internal Revenue Code of 1986, as amended (the "Code").

II. ADMINISTRATION

The Plan shall be administered by the Board of Directors of the Company, or by such Committee (the "Committee") of three or more Directors as the Board of Directors may from time to time appoint in either case excluding Directors who are eligible to receive options under the Plan unless such Directors have for the time being disclaimed eligibility to receive them.

Subject to the express provisions of the Plan, the Board of Directors or the Committee, as the case may be, shall have authority, in its discretion, to determine the individuals to whom options shall be granted, the individuals who are key employees of the Company or any subsidiary, the time or times at which such options shall be granted, the number of shares to be covered by each such option, the option price, and the installments in which and the periods during which each such option shall be exercisable; provided, however, that in exercising such discretion with respect to the participation of Directors of the Company, if such exercise be by the Board of Directors, a majority of the Board of Directors acting in the matter, or, if such exercise be by the Committee, all of the members of the Committee, shall be persons who are not at the time such discretion is exercised eligible and have not at any time within one year prior thereto been eligible as persons to

whom stock might be allocated or to whom stock options or stock appreciation rights might be granted pursuant to the Plan or any other plan of the Company or of any other corporation controlling, controlled by, or under common control with, the Company, entitling the participants therein to acquire stock, or stock options or stock appreciation rights of the Company or any such other corporation.

Subject to the express provisions of the Plan, the Board of Directors shall also have the authority to construe and interpret the Plan, to prescribe, amend and rescind rules and regulations relating to it, to adopt and revise from time to time and to construe and interpret the form of the options to be granted under the Plan (which need not be identical) and to make all other determinations necessary or advisable for the administration of the Plan. The Board of Directors may correct any defect or supply any omission or reconcile any inconsistency in the Plan or any option, in the manner and to the extent it shall deem necessary to carry it into effect, and it shall be the sole and final judge of such necessity.

The determinations of the Board of Directors and those of the Committee on the matters referred to in this Section II shall be conclusive.

III. SHARES SUBJECT TO THE PLAN

The shares to be sold under the Plan may be shares of the Company's authorized but unissued Common Stock ("Common Stock") or issued shares of such Common Stock reacquired by the Company at any time, as the Board of Directors from time to time may determine; provided, however, that unless and until the Board of Directors shall determine to repurchase shares or to use treasury shares for the purposes of the Plan, the shares sold under the Plan shall be authorized and unissued shares reserved for that purpose. *See Amendment effective April 22, 1988.

Subject to adjustment as provided in Section XI hereof, the maximum aggregate number of shares for which options may be granted under the Plan is 200,000 shares of the Company's Common Stock, as constituted at the date of the Plan. *See Amendment effective February 23, 1994.

If any option granted under the Plan shall expire or terminate in any manner or for any reason (including termination by voluntary surrender) without having been exercised in full, the number of shares of Common Stock as to which such option shall not have been exercised shall again be available for the purposes of the Plan.

IV. ELIGIBILITY FOR AND GRANT OF OPTIONS

An option may be granted to (i) any person (including any Director or any officer of the Company) who, at the time of such granting, is a key employee of the Company or any subsidiary or (ii) any person not an employee of the Company or any subsidiary whom the Company or any subsidiary seeks to employ.

V. TERM OF OPTIONS

Each option shall by its terms not be exercisable and all rights thereunder shall expire after the date determined by the Board of Directors or the Committee, as the case may be, at the time of the granting of the option. Such date shall in no event be more than ten years after the date on which the option is granted.

VI. OPTION PRICE *SEE AMENDMENT DATED JANUARY 27, 1989

In the case of each option granted under the Plan, the purchase price or prices of the Common Stock of the Company called for by the option shall be determined by the Board of Directors or the Committee, as the case may be, but will not be less than 80 percent of the fair market value of the underlying shares of Common Stock on the date the option is granted. The purchase price shall be paid in full upon the exercise of the option, either in cash or by delivery of then outstanding shares of Common Stock of the Company or a combination thereof, at the election of the person exercising the option. The fair market value of the Common Stock shall be, and the shares of any Common Stock delivered in payment of the purchase price upon the exercise of an option shall be valued at the closing price of the Common Stock as reported on the National Association of Securities Dealers Automated Quotation System/National Market System for the date of grant or of exercise of the option,

respectively, or, in the event the Common Stock is listed on a stock exchange, at the closing price on such exchange as reported in The Wall Street Journal on the date of grant or of exercise of the option, respectively. (If there is no trading on such date, the closing price on the trading day next preceding such date shall be used for the valuation.)

VII. EXERCISE OF OPTIONS

The grantee of an option must remain in the continuous employ of the Company or a subsidiary for a period of one year from the later of the date of commencement of employment or the date the option is granted before becoming entitled to exercise the option as to any part of the shares covered thereby. Thereafter, the option shall become exercisable as to the shares covered thereby in one or more installments (which need not be equal), and upon such conditions, limitations and restrictions, as shall be determined by the Board of Directors of the Committee at the time of the granting of the option, and specified in the option; provided, however, that, except as set forth in Sections IX and X, no option may be exercised unless the grantee of the option has been in the employ of the Company or a subsidiary continuously from the later of the date of commencement of employment or the date of granting of the option to the date of exercise.

Shares as to which an option has become exercisable shall be subject to purchase at any time or from time to time thereafter during the remaining term of the option, but not less than 10 shares may be purchased at any one time, except upon the purchase of the remaining balance of shares as to which the option is at the time exercisable. Each exercise of an option shall reduce, pro tanto, the total number of shares of Common Stock that may thereafter be purchased under such option. An option shall be deemed to be exercised when written notice of such exercise has been given to the Company in accordance with the terms of the option by the person entitled to exercise the option and full payment for the shares of Common Stock with respect to which the option is exercised has been received by the Company. Until the issuance (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company) of the stock certificate evidencing such shares of Common Stock, no right to vote or receive dividends or any other rights as a shareholder shall exist with respect to the optioned stock, notwithstanding the exercise of the option.

VIII. NON-TRANSFERABILITY OF OPTIONS

Each option granted under the Plan shall by its terms not be transferable by the individual to whom it shall have been granted otherwise than by will or the laws of descent and distribution, and shall be exercisable, during his lifetime, only by him or by his guardian or legal representative.

IX. TERMINATION OF EMPLOYMENT

After commencement of employment with the Company or any subsidiary, if the grantee of an option ceases to be an employee of the Company or any subsidiary for any reason other than his death or his having been discharged for cause or having terminated his employment in violation of an employment agreement with the Company or the subsidiary, or if the subsidiary by which the grantee of an option is employed ceases to be a subsidiary of the Company, his option shall expire (unless by its terms it expires at an earlier date) three months after the date of such termination (or one year if termination was for disability within the meaning of Section 22(e)(3) of the Code) or after the date the subsidiary ceased to be a subsidiary of the Company, and during such three month period (or one year period if termination was for disability) the option shall be exercisable only to the extent that it was exercisable on the date of termination of employment or on the date that the subsidiary ceased to be a subsidiary of the Company; provided, however, that no option may be exercised after the expiration date specified therein. If the grantee of an option shall be discharged for cause or shall terminate his employment in violation of an employment agreement with the Company or a subsidiary, then his option shall terminate and expire concurrently with the termination of his employment and shall not thereafter be exercisable to any extent. Options granted under the Plan shall not be affected by any change of employment so long as the grantee of the option continues to be an employee of the Company or any of its subsidiaries, and nothing in the Plan or in any option granted under it shall confer any right to continue in the employ of the Company or any of its subsidiaries or interfere in any way with the right of the

Company or any subsidiary to terminate any employment at any time.

X. DEATH OF EMPLOYEE

If a grantee of an option dies while he is an employee of the Company or a subsidiary or thereafter at any time while he shall be entitled to exercise any portion thereof, such option may, to the extent that the grantee of the option was entitled to exercise such option on the date of his death, be exercised within two years after his death by the person or persons to whom his rights under the option shall have passed by his will or by the applicable laws of descent and distribution; provided, however, that no option may be exercised after the expiration date specified therein.

XI. ADJUSTMENT UPON CHANGES IN CAPITALIZATION, ETC

The aggregate number and class of shares subject to the Plan, the number and class of shares subject to each option granted under the Plan, and the price per share (but not the total price) shall be appropriately and equitably adjusted in the event of any reclassification or increase or decrease in the number of the issued shares of Common Stock of the Company by reason of a split-up or consolidation of shares, the payment of a stock dividend, a recapitalization, a combination or exchange of shares, or any like capital adjustment.

If the Company shall be reorganized or shall merge into or consolidate with any other company, the Company will use its best efforts to arrange that each option granted under the Plan shall be adjusted so as to apply to the securities to which a holder of the number of shares of Common Stock subject to the option would have been entitled by reason of such reorganization, consolidation or merger. In the event the attempt of the Company in this regard shall not be successful, or in the event of the proposed dissolution or liquidation or sale of substantially all of the assets of the Company, each option granted under the Plan shall terminate as of a date to be fixed by the Board of Directors; provided that no less than 30 days' written notice of the date so fixed shall be given to each grantee of an option or to the person or persons to whom his rights shall have passed by his will or the applicable laws of descent and distribution, if known to the Company, and each such grantee of such person or persons shall have the right, during the period of 30 days preceding such termination, to exercise the option as to all or any part of the shares covered thereby, including shares as to which such option would not otherwise be exercisable.

Adjustments under this Section XI shall be made by the Board of Directors, and any determination of the Board shall be binding and conclusive.

XII. TERMINATION

Unless previously terminated by the Board of Directors, this Plan shall terminate on January 9, 1997, but such termination shall not affect any option theretofore granted. The Board of Directors of the Company at any time prior to that date may terminate the Plan, or make such changes in it and additions to it as the Board of Directors shall deem advisable; provided, however, that except as provided in Section XI hereof, the Board of Directors may not, without further approval by the stockholders of the Company, increase the maximum number of shares as to which options may be granted under the Plan, as originally adopted or as from time to time amended, or extend the period during which options may be granted or exercised, or change the class of individual or employees eligible to receive options under the Plan. No termination or amendment of the Plan may, without the consent of the grantee of an option then outstanding and in effect, or, if he shall have died, the person or persons to whom his rights shall have passed by his will or the applicable laws of descent and distribution, terminate such option or materially and adversely affect his rights or the rights of such person or persons under the option. *See amendment effective February 23, 1994.

XIII. CONDITIONS UPON ISSUANCE OF SHARES

Shares of Common Stock shall not be issued pursuant to the exercise of an option unless the exercise of such option and the issuance and delivery of such shares pursuant thereto shall comply with all relevant provisions of law, including, without limitation, the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, the rules and

regulations promulgated thereunder, and the requirements of any stock exchange upon which the shares of Common Stock may then be listed, and shall be further subject to the approval of counsel for the Company with respect to such compliance.

As a condition to the exercise of an option, the Company may require the person exercising such option to represent and warrant at the time of any such exercise that the shares of Common Stock are being purchased only for investment and without any present intention to sell or distribute such shares if, in the opinion of counsel for the Company, such a representation is required by any of the aforementioned relevant provisions of law or is otherwise advisable.

XIV. OPTION AGREEMENT

Options shall be evidenced by written option agreements in such form as the Board or the Committee shall approve.

*On January 27, 1989, Article VI above was amended to provide that upon exercise of the option, the Purchase Price shall be paid in full in cash. This amendment deletes the previous provision, which permitted the delivery of outstanding shares of Common Stock.

AMENDMENT TO ATICO FINANCIAL CORPORATION 1986 STOCK OPTION PLAN

Effective April 22, 1988, Paragraph III of the Plan is amended to reflect that the maximum aggregate number of shares for which options may be granted under the Plan is 250,000 shares of the Company's Common Stock.

AMENDMENT TO INTERCONTINENTAL BANK 1986 STOCK OPTION PLAN (FORMERLY KNOWN AS ATICO FINANCIAL CORPORATION 1986 STOCK OPTION PLAN)

1. Effective February 23, 1994, Paragraph III of the Plan is amended to reflect that the maximum aggregate number of shares for which options may be granted under the Plan is 350,000 shares of the Company's Common Stock.

2. Effective February 23, 1994, Paragraph XII of the Plan is amended to reflect that unless previously terminated by the Board of Directors, this Plan shall terminate on January 9, 2007, but such termination shall not affect any option previously granted. The remainder of said Paragraph XII is changed.

INTERCONTINENTAL BANK
1992 STOCK OPTION PLAN
DATED: APRIL 29, 1992

I. PURPOSE

The purpose of the Intercontinental Bank 1992 Stock Option Plan (the "Plan") is to provide a means whereby selected key employees of Intercontinental Bank and its subsidiaries (the "Company") may offer incentives to worthwhile persons whom it seeks to employ in the capacity of key employees or to induce key employees to continue their service with the Company by giving such persons or key employees an opportunity to acquire Common Stock of the Company. By granting such incentives, the persons and key employees will be given a proprietary interest in the Company, thereby increasing their interest in its success and encouraging them to remain in its employ.

As used in the Plan, the terms "parent" and "subsidiary" shall have the meanings ascribed to the terms "parent corporation" and "subsidiary corporation" in Section 424 of the Internal Revenue Code, as amended (the "Code").

II. ADMINISTRATION

The Plan shall be administered by the Board of Directors of the Company, or by such Committee (the "Committee") of three or more Directors as the Board of Directors may from time to time appoint, in either case excluding Directors who are eligible to receive options under the Plan unless such Directors have for the time being disclaimed eligibility to receive them.

Subject to the express provisions of the Plan, the Board of Directors or the Committee, as the case may be, shall have authority, in their sole discretion, to determine the individuals to whom options shall be granted, the time or times at which such options shall be granted, and the number of shares to be covered by each such option. The Board of Directors or the Committee, as the case may be, shall also determine the option price, and the installments in which and the periods during which each such option shall be exercisable; provided, however, that in exercising such discretion with respect to the participation of Directors of the Company, if such exercise be by the Board of Directors, a majority of the Board of Directors and a majority of the Directors acting in the matter, or, if such exercise be by the Committee, all of the members of the Committee shall be persons who are not at the time such discretion is exercised eligible, and have not at any time within one year prior thereto been eligible as persons to whom stock might be allocated or to whom stock options or stock appreciation rights might be granted pursuant to the Plan or any other plan of the Company or any other corporation controlling, controlled by, or under common control with, the Company, entitling the participants therein to acquire stock, or stock options or stock appreciation rights of the Company or any such other corporation.

Subject to the express provisions of the Plan, the Board of Directors or the Committee shall also have the authority to construe and interpret the Plan, to prescribe, amend and rescind rules and regulations relating to it, to adopt and revise from time to time and to construe and interpret the form of the options to be granted under the Plan (which need not be identical) and to make all other determinations necessary or advisable for the administration of the Plan. The Board of Directors or the Committee may correct any defect or supply any omission or reconcile any inconsistency in the Plan or any option, in the manner and to the extent that the Board of Directors or the Committee shall deem expedient to carry it into effect. The Board of Directors or the Committee, as the case may be, shall be the sole and final judge of such expediency.

The determinations of the Board of Directors and those of the Committee on the matters referred to in this section II shall be conclusive.

III. SHARES SUBJECT TO THE PLAN

The shares to be sold under the Plan may be shares of the Company's authorized but unissued Common Stock or issued shares of such Common Stock reacquired by the Company at any time, as the Board of Directors from time to time may determine; provided, however, that unless and until the Board of Directors shall determine to repurchase shares or to use treasury shares for the

purposes of the Plan, the shares sold under the Plan shall be authorized and unissued shares reserved for that purpose. *See amendment effective February 23, 1994.

Subject to adjustment as provided in Section XI hereof, the maximum aggregate number of shares for which options may be granted under the Plan is 250,000 shares of the Company's Common Stock, as constituted at the date of the Plan.

If any option granted under the Plan shall expire or terminate in any manner or for any reason (including termination by voluntary surrender) without having been exercised in full, the number of shares of Common Stock as to which such option shall not have been exercised shall again be available for the purposes of the Plan.

VI. ELIGIBILITY FOR AND GRANT OF OPTIONS

An option may be granted to any person (including any Director or any officer of the Company) who, at the time of such granting, is a key employee of the Company.

Options granted under the Plan shall be incentive stock options. Each incentive stock option is intended to qualify as and shall comply with all the requirements of an "incentive stock option" in Section 422 of the Code.

An incentive stock option may be granted only to a person who, at the time the option is granted, does not own stock possessing more than 10 percent of the total combined voting power of all classes of stock of the Company or any parent of the Company. However, this paragraph shall not apply if at the time the option is granted the option price is at least 110 percent of the fair market value of the shares of Common Stock subject to the option and such option by its terms is not exercisable after the expiration of 5 years from the date such option is granted. For purposes of this paragraph, a person shall be considered as owning the stock owned, directly or indirectly, by or for his or her brothers or sisters (whether by the whole or half blood), spouse, ancestors and lineal descendants; and stock owned, directly or indirectly, by or for a corporation, partnership, estate or trust shall be considered as being owned proportionately by or for its shareholders, partners or beneficiaries.

The aggregate option exercise price of the stock for which any employee may be granted incentive stock options, within the meaning of Section 422 of the Code, exercisable in any calendar year under the Plan and all other plans of the Company or any parent of the Company shall not exceed \$100,000.

Options granted hereunder shall be evidenced by written Option Agreements in such form as the Board or the Committee shall approve, and shall contain, such provisions as shall be necessary for the option to which such Agreement relates to qualify as an Incentive Stock Option.

V. TERM OF OPTIONS

Each option shall, by its terms, not be exercisable after the expiration date of such option determined by the Board of Directors or the Committee, as the case may be, at the time of the granting of the option, and all rights thereunder shall expire on the expiration date. Such expiration date shall in no event be more than ten years after the date on which the option is granted.

VI. OPTION PRICE

In the case of each option granted under the Plan, the purchase price or prices of the Common Stock of the Company called for by the option shall be determined by the Board of Directors or the Committee, as the case may be, and shall be not less than 100 percent of the fair market value of the Common Stock of the Company on the date of granting of the option based on the quoted market price for said stock by the NASDAQ or such other exchange on which the stock may be listed as of the date of granting of the option. The purchase price shall be paid in full, in cash, upon the exercise of the option.

VII. EXERCISE OF OPTIONS

The grantee of an option must remain in the continuous employ of the Company for a period of one year from the date the option is granted before becoming entitled to exercise the option

as to any part of the shares covered thereby. Thereafter, unless the option provides otherwise, the option shall become exercisable as to the shares covered thereby in one or more installments (which need not be equal), and upon such conditions, limitations and restrictions, as shall be determined by the Board of Directors or the Committee at the time of the granting of the option, and specified in the option. Provided however, that, except as set forth in Sections IX and X hereof, no option may be exercised unless the grantee of the option has been in the employ of the Company continuously from the date of granting of the option to the date of exercise.

For the purpose of this Paragraph VII, continuous employ shall mean the absence of any interruption or termination of service as an employee, but an employee shall not lose its status of continuous employment if employment is interrupted as a result of sick leave, military leave or any other leave of absence approved by the Board or the Committee and so long as the Employee returns to employment within the time period established by the Board of Directors or the Committee for such employment to constitute continuous employment.

Each incentive stock option under the Plan by its terms shall not be exercisable while there is outstanding (within the meaning hereinafter set forth) any incentive stock option theretofore granted to the same person to purchase stock in his employer corporation, or in a corporation which (at the time of the granting of such option) is a parent or subsidiary of his employer corporation, or in a predecessor corporation of any such corporations. For this purpose, an incentive stock option shall be treated as outstanding until such option is exercised in full or expires by reason of lapse of time.

Shares as to which an option has become exercisable shall be subject to purchase at any time or from time to time thereafter during the remaining term of the option, but not less than 10 shares may be purchased at any one time, except upon the purchase of the remaining balance of shares as to which the option is at the time exercisable.

VIII. NON-TRANSFERABILITY OF OPTIONS

Each option granted under the Plan by its terms shall not be transferable by the individual to whom it shall have been granted otherwise than by will or the laws of descent and distribution, and shall be exercisable, during his lifetime, only by him or by his guardian or legal representative.

IX. TERMINATION OF EMPLOYMENT

If the grantee of an option ceases to be an employee of the Company for any reason other than his death or his having been discharged for cause or having terminated his employment in violation of an employment agreement with the Company or if the grantee of an option is employed by a subsidiary and such subsidiary ceases to be a subsidiary of the Company, his option shall expire (unless by its terms it expires at an earlier date) three months after the date of such termination (or one year if termination was for disability within the meaning of Section 22(e)(3) of the Code) or after the date the subsidiary ceased to be a subsidiary of the Company, and during such three month period (or one year period if termination was for disability) the option shall be exercisable only to the extent that it was exercisable on the date of termination of employment or on the date that the subsidiary ceased to be a subsidiary of the Company; provided, however, that no option may be exercised after the expiration date specified herein. If a grantee of an option shall be discharged for cause or shall terminate his employment in violation of an employment agreement with the Company, then his option shall terminate and expire concurrently with the termination of his employment and shall not thereafter be exercisable to any extent. Options granted under the Plan shall not be affected by any change of employment so long as the grantee of the option continues to be an employee of the Company or any of its subsidiaries, and nothing in the Plan or in any option granted under it shall confer any right to continue in the employ of the Company or any of its subsidiaries or interfere in any way with the right of the Company to terminate any employment at any time.

X. DEATH OF EMPLOYEE

If a grantee of an option dies while he is an employee of the Company or thereafter at any time while he shall be entitled to exercise any portion thereof, such option may, to the extent

that the grantee of the option was entitled to exercise such option on the date of his death, be exercised within two years after his death by the person or persons to whom his rights under the option shall have passed by his will or by the applicable laws of descent and distribution; provided, however, that no option may be exercised after the expiration date specified therein.

XI. ADJUSTMENT UPON CHANGES IN CAPITALIZATION, ETC.

The aggregate number and class of shares subject to the Plan, the number and class of shares subject to each option granted under the Plan, and the price per share (but not the total price) shall be appropriately and equitably adjusted in the event of any reclassification or increase or decrease in the number of the issued shares of Common Stock of the Company by reason of a split-up or consolidation of shares, the payment of stock dividend, a recapitalization, a combination or exchange of shares, or any like capital adjustment; provided, however, that with respect to any option granted under this Plan any such adjustment shall be made only to the extent it would not constitute a "modification" within the meaning of Section 424(h) of the Code.

If the Company shall be reorganized or shall merge into or consolidate with any other company, the Company will use its best efforts to arrange that each option granted under the Plan shall be adjusted so as to apply to the securities to which a holder of the number of shares of Common Stock subject to the option would have been entitled by reason of such reorganization, consolidation or merger. In the event the attempt of the Company in this regard shall not be successful, or in the event of the proposed dissolution or liquidation or sale of substantially all of the assets of the Company, each option granted under the Plan shall terminate as of a date to be fixed by the Board of Directors; provided that no less than 30 days' written notice of the date so fixed shall be given to each grantee of an option or to the person or persons to whom his rights shall have passed by his will or the applicable laws of descent and distribution, if known to the Company, and each such grantee or such person or persons shall have the right, during the period of 30 days preceding such termination, to exercise the option as to all or any part of the shares covered thereby, including shares as to which such option would not otherwise be exercisable, except that no incentive stock option shall be become exercisable in contravention of any requirement of Section 422 of the Code that is necessary in order to qualify as an "incentive stock option".

Adjustments under this Section XI shall be made by the Board of Directors, and any determination of the Board shall be binding and conclusive.

XII. TERMINATION

Unless previously terminated by the Board of Directors, this Plan shall terminate on April 28, 2002, but such termination shall not affect any option theretofore granted. The Board of Directors of the Company at any time prior to that date may terminate the Plan, or make such changes in it and additions to it as the Board of Directors shall deem advisable; provided, however, that except as provided in Section XI hereof, the Board of Directors may not, without further approval by the shareholders of the Company increase the maximum number of shares as to which options may be granted under the Plan, as originally adopted or as from time to time amended, or reduce the minimum option price or extend the period during which options may be granted or exercised, or change the class of employees eligible to receive options under the Plan. No termination or amendment of the Plan may, without the consent of the grantee of an option then outstanding and in effect, or, if he shall have died, the person or persons to whom his rights shall have passed by his will or the applicable laws of descent and distribution, terminate such option or materially and adversely affect his rights or the rights of such person or persons under the option.

XIII. SHAREHOLDER APPROVAL

This Plan has been adopted by action of the Board of Directors of the Company at a meeting duly held on February 26, 1992 but shall not be effective until the Plan is approved by the Shareholders of the Company at its Annual Meeting of April 29, 1992. If not approved by the Shareholders at such meeting, the Plan shall not be effective.

Effective February 23, 1994, Section III of the Plan is amended to reflect that the aggregate number of shares for which options may be granted under the Plan is 400,000 shares of the Company's Common Stock as constituted at the date of the Plan.