

As filed with the Securities and Exchange Commission on October 11, 1996

Registration No.333-

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM S-8

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

USA WASTE SERVICES, INC.
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

DELAWARE
(STATE OR OTHER JURISDICTION OF
INCORPORATION OR ORGANIZATION)

73-1309529
(I.R.S. EMPLOYER
IDENTIFICATION NO.)

5400 LBJ FREEWAY
SUITE 300-TOWER ONE
DALLAS, TEXAS
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)

75240
(ZIP CODE)

USA WASTE SERVICES, INC. 1996 STOCK
OPTION PLAN FOR NON-EMPLOYEE DIRECTORS

(Full title of the plan)

GREGORY T. SANGALIS
5400 LBJ FREEWAY
SUITE 300-TOWER ONE
DALLAS, TEXAS 75240
(Name and address of agent for service)

(972) 383-7900
(Telephone number, including area code,
of agent for service)

CALCULATION OF REGISTRATION FEE

Title 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
Common Stock, par value \$.01 per share	400,000 Shares	\$31.875	\$12,750,000	\$3,863.60

1. Estimated pursuant to Rule 457(c) solely for the purpose of calculating the registration fee, based upon the average of the high and low sales prices of a share of the Company's Common Stock on the New York Stock Exchange on October 9, 1996 as published in The Wall Street Journal on October 10, 1996.

PART II

INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

ITEM 3. INCORPORATION OF DOCUMENTS BY REFERENCE.

The Company incorporates herein by reference the following documents, or portions of documents, as of their respective dates as filed with the Securities and Exchange Commission (the "Commission") pursuant to the Securities Exchange Act of 1934, as amended (the "Exchange Act"):

1. The Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1995;
2. The Company's Quarterly Reports on Form 10-Q for the quarters ended March 31, 1996 and June 30, 1996;
3. Post-Effective Amendment No. 1 on Form S-8 to the Company's registration statement on Form S-4, filed on September 5, 1996;
4. The Company's Current Report on Form 8-K filed with the Commission on January 9, 1996, its Current Report on Form 8-K filed May 22, 1996, as amended by its Form 8-K/A (Amendment No. 1) filed on May 29, 1996, its Form 8-K/A (Amendment No. 2) filed on June 28, 1996 and its Form 8-K/A (Amendment No. 3) filed on July 1, 1996, and its Current Report on Form 8-K filed June 22, 1996; and
5. The description of the Company's common stock, par value \$.01 per share (the "Common Stock"), contained in the registration statement on Form 8-A, dated July 1, 1993, as amended by Form 8-B dated July 13, 1995.

All documents filed by the Company pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Exchange Act after the date of this registration statement and prior to the filing of a post-effective amendment which indicates that all securities offered hereby have been sold or which deregisters all such 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 such documents.

ITEM 4. DESCRIPTION OF SECURITIES.

The information required by Item 4 is not applicable to this registration statement.

ITEM 5. INTERESTS OF NAMED EXPERTS AND COUNSEL.

The information required by Item 5 is not applicable to this registration statement.

ITEM 6. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

Section 145 of the Delaware General Corporation Law ("DGCL") provides that a corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, other than an action by or in the right of the corporation, by reason of the fact that he is or was a director, officer, employee or agent of the corporation or is or was serving at its request in such capacity in another corporation or business association, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation and, with respect to any criminal action or proceedings, had no

reasonable cause to believe his conduct was unlawful. With respect to actions by or in the right of the corporation, a person may not be indemnified if he has been adjudged to be liable to the corporation, except where, besides meeting the requirements described in the preceding sentence, the court in which such action was brought determines upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses as the court deems proper. To the extent that a director, officer, employee or agent of a corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to above, he shall be indemnified against expenses, including attorneys' fees, actually and reasonably incurred by him in connection therewith. A corporation shall have the power to purchase insurance on behalf of the persons referred to above against any liability asserted against them and incurred by them in such capacities referred to whether or not the corporation would have the power to indemnify them against such liability.

Section 102(b)(7) of the DGCL provides that the certificate of incorporation of a corporation may contain a provision eliminating or limiting the personal liability of a director to the corporation or its shareholders for monetary damages for breach of fiduciary duty as a director, provided that such provision shall not eliminate or limit the liability of a director for (i) any breach of the director's duty of loyalty to the corporation or its shareholders, (ii) acts or omissions not in good faith or which involved intentional misconduct or a knowing violation of law, (iii) unlawful dividend payment or stock purchase or redemption under Section 174 of the DGCL, (iv) any transaction from which the director derived an improper personal benefit, or (v) any act or omission occurring prior to the date when such provision becomes effective.

The Registrant's Certificate of Incorporation provides that (i) the Registrant shall indemnify, and advance litigation expenses to, its officers, directors, employees and agents to the fullest extent permitted by the DGCL and all other laws of the State of Delaware, (ii) to the fullest extent that the DGCL permits the limitation or elimination of the liability of directors, no director of the Registrant shall be personally liable to the Registrant or its shareholders for monetary damages for breach of fiduciary duty as a director, (iii) no amendment to or repeal of the provision of the Certificate of Incorporation described in clause (ii) shall apply to or have any effect on the liability or alleged liability of any director of the Registrant for or with respect to any acts or omission of such director occurring prior to the time of such amendment or repeal and (iv) any amendment to the DGCL which further limits or eliminates the liability of directors shall be fully applicable to the Registrant's directors.

The Registrant has indemnification agreements with its directors.

ITEM 7. EXEMPTION FROM REGISTRATION CLAIMED.

Information required by Item 7 is not applicable to this Registration Statement.

ITEM 8. EXHIBITS.

Exhibit Number	Description
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4.1	Restated Certificate of Incorporation - incorporated by reference to Exhibit 3.1(b) of the Registrant's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 1996
4.2	Certificate of Amendment to the Restated Certificate of Incorporation - incorporated by reference to Exhibit 4.2 of the Registrant's Post-effective Amendment No. 1 on Form S-8 to the registration statement on Form S-4; File No. 333-08161
4.3	Bylaws - incorporated by reference to Exhibit 3.2 to the Registrant's registration statement on Form S-4, File No. 33-60103

- 5.1* Opinion of Andrews & Kurth L.L.P., as to the legality of the securities being registered
- 23.1 Consent of Andrews & Kurth L.L.P. (included in the opinion filed as Exhibit 5.1 to this registration statement)
- 23.2* Consent of Coopers & Lybrand L.L.P.
- 23.3* Consent of Deloitte & Touche LLP
- 23.4* Consent of Ernst & Young LLP
- 23.5* Consent of Arthur Andersen LLP
- 24.1 Power of Attorney (set forth on the signature page contained in Part II of this registration statement)
- 99.1* USA Waste Services, Inc. 1996 Stock Option Plan for Non-Employee Directors

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*Filed herewith.

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 of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement; 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 with or furnished to the Commission 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 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 Securities and Exchange 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 registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Dallas, State of Texas, on this 15th day of October, 1996.

USA Waste Services, Inc.

By /s/ John E. Drury

John E. Drury
Chief Executive Officer

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KNOW ALL MEN BY THESE PRESENTS, that each of the undersigned officers and directors of USA Waste Services, Inc. (the "Company") hereby constitutes and appoints John E. Drury, Earl E. DeFrates and Gregory T. Sangalis, and each of them (with full power to each of them to act alone), his true and lawful attorney-in-fact and agent, with full power of substitution, for him and on his behalf and in his name, place and stead, in any and all capacities, to sign, execute and file this registration statement under the Securities Act of 1933, as amended, and any or all amendments (including, without limitation, post-effective amendments), with all exhibits and any and all documents required to be filed with respect thereto, with the Securities and Exchange Commission or any regulatory authority, granting unto such attorneys-in-fact and agents, and each of them acting alone, 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 in order to effectuate the same, as fully to all intents and purposes as he himself might or could do if personally present, hereby ratifying and confirming all that such attorneys-in-fact and agents, or any of them, or their substitute or substitutes, may lawfully do or cause to be done.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities on October 15th, 1996.

Signature -----	Title -----
/s/ John E. Drury ----- John E. Drury	Chairman of the Board and Chief Executive Officer (Principal executive officer)
/s/ Earl E. DeFrates ----- Earl E. DeFrates	Executive Vice President and Chief Financial Officer (Principal financial officer)
/s/ Bruce E. Snyder ----- Bruce E. Snyder	Vice President and Controller (Principal accounting officer)
/s/ Donald F. Moorehead, Jr. ----- Donald F. Moorehead, Jr.	Vice Chairman
/s/ David Sutherland-Yoest ----- David Sutherland-Yoest	Director
----- Larry J. Martin	Director
----- Rodney R. Proto	President and Director
/s/ Richard J. Heckmann ----- Richard J. Heckmann	Director
/s/ William E. Moffett ----- William E. Moffett	Director
/s/ John G. Rangos, Sr. ----- John G. Rangos, Sr.	Director
/s/ Alexander W. Rangos ----- Alexander W. Rangos	Vice Chairman and Director
----- Kosti Shirvanian	Director
/s/ Savey Tufenkian ----- Savey Tufenkian	Director
----- Ralph F. Cox	Director

INDEX TO EXHIBITS

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99.1*	USA Waste Services, Inc. 1996 Stock Option Plan for Non-Employee Directors

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*Filed herewith.

October 15, 1996

Board of Directors
USA Waste Services, Inc.
5400 LBJ Freeway
Suite 300 - Tower One
Dallas, Texas 75240

Ladies and Gentlemen:

We have acted as counsel to USA Waste Services, Inc., a Delaware corporation (the "Company") in connection with the Company's Form S-8, relating to the registration under the Securities Act of 1933, as amended, of the issuance of 400,000 shares of common stock, par value \$.01 per share (the "Common Stock"), of the Company (the "Shares") issuable upon the exercise of options (the "Options") granted pursuant to the USA Waste Services, Inc. 1996 Stock Option Plan for Non-Employee Directors.

As the basis for the opinions hereinafter expressed, we have examined such corporate records and documents, certificates of corporate and public officials and such other instruments as we have deemed necessary for the purposes of the opinions contained herein. As to all matters of fact material to such opinions, we have relied upon the representations of officers of the Company. We have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals, and the conformity with the original documents of all documents submitted to us as copies.

Based upon the foregoing and having due regard for such legal considerations as we deem relevant, we are of the opinion that the Shares to be issued upon proper exercise of the Options have been duly authorized, and that the Shares, when issued upon proper exercise of the Options, will be validly issued, fully paid and nonassessable.

We hereby consent to the inclusion of this opinion as an exhibit to the Registration Statement.

Very truly yours,

/s/ Andrews & Kurth L.L.P.

1208/2937/2653

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

We consent to the incorporation by reference in this Registration Statement of USA Waste Services, Inc. on Form S-8, of our report dated March 1, 1996, on our audits of the consolidated financial statements of USA Waste Services, Inc. and subsidiaries as of December 31, 1995 and 1994, and for each of the three years in the period ended December 31, 1995, which is included in USA Waste Services, Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 1995, and our report dated May 23, 1996, on our audits of the supplemental consolidated balance sheets of USA Waste Services, Inc. and subsidiaries as of December 31, 1995 and 1994, and the related supplemental consolidated statements of operations, stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 1995, which is included in USA Waste Services, Inc.'s Current Report on Form 8-K/A filed on July 1, 1996 with the Securities and Exchange Commission.

/s/ COOPERS & LYBRAND L.L.P.

COOPERS & LYBRAND L.L.P.

Dallas, Texas
October 11, 1996

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in this Form S-8 of USA Waste Services, Inc. of our report dated March 30, 1995 (relating to the consolidated financial statements of Chambers Development Company, Inc. and subsidiaries not presented separately herein) appearing in USA Waste Services, Inc.'s Current Report on Form 8-K/A, Amendment No. 3, dated May 7, 1996.

/s/ DELOITTE & TOUCHE LLP

Pittsburgh, Pennsylvania
October 11, 1996

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in the Registration Statement (Form S-8) and related prospectus of USA Waste Services, Inc. of our reports (a) dated August 25, 1995 (except Note 8, as to which the date is September 12, 1995) with respect to the consolidated financial statements of Western Waste Industries at June 30, 1995 and 1994, and for each of the three years in the period ended June 30, 1995 included in USA Waste Services, Inc.'s Current Report on Form 8-K dated January 9, 1996, and (b) dated August 25, 1995 (except Note 8, as to which the date is September 12, 1995) with respect to the consolidated financial statements of Western Waste Industries at June 30, 1995 and 1994, and for each of the two years in the period ended June 30, 1995 (which consolidated financial statements are not presented separately therein) included in USA Waste Services, Inc.'s Report on Form 8-K/A (Amendment No. 3), dated July 1, 1996, both filed with the Securities and Exchange Commission.

/s/ ERNST & YOUNG LLP

ERNST & YOUNG LLP

Long Beach, California
October 10, 1996

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation by reference in this Form S-8 of USA Waste Services, Inc. of (a) our report dated February 23, 1996 (except with respect to the matters discussed in Note 15, as to which the dates are March 4, 1996 and March 18, 1996 as indicated) with respect to the consolidated balance sheets of Sanifill, Inc. and subsidiaries as of December 31, 1995 and 1994, and the related consolidated statements of operations, stockholders' investment and cash flows for each of the three years in the period ended December 31, 1995 which is included in Sanifill, Inc.'s Annual Report on Form 10-K for the year ended December 31, 1995; (b) our reports dated (i) August 1, 1995 with respect to the combined balance sheets of Metropolitan Disposal and Recycling Corporation, Energy Reclamation, Inc., and EE Equipment, Inc. as of December 31, 1994 and 1993, and the related combined statements of operations, stockholders' equity and cash flows for each of the three years in the period ended December 31, 1994, (ii) January 9, 1996 with respect to the balance sheet of Falcon Disposal Services, Inc. as of December 31, 1994 and the related statements of operations, stockholders' equity and cash flows for the year then ended, (iii) February 2, 1996 with respect to the combined balance sheet of Garnet of Virginia, Inc., and Garnet of Maryland, Inc. as of December 31, 1995 and the related combined statements of operations, stockholders' deficit and cash flows for the year then ended, (iv) January 13, 1996 with respect to the combined balance sheet of the Combined Companies, as defined, as of December 31, 1994 and the related combined statement of operations, stockholders' equity and partners' capital and cash flows for the year then ended which are included in Sanifill, Inc.'s Current Report on Form 8-K dated February 5, 1996; (c) our report dated February 8, 1996 with respect to the consolidated balance sheets of Sanifill, Inc. and subsidiaries as of December 31, 1994 and 1993, and the related consolidated statements of operations, stockholders' investment and cash flows for each of the three years in the period ended December 31, 1994 which is included in Sanifill, Inc.'s Current Report on Form 8-K dated February 11, 1996; and (d) our report dated November 17, 1995 (except with respect to the matters discussed in Note 11, as to which the date is March 18, 1996) with respect to the combined balance sheets of PST Reclamation, Inc., and Taylor Land Resources, Inc. as of December 31, 1994 and 1993, and the related combined statements of operations and retained earnings and cash flows for the years then ended which is included in Sanifill, Inc.'s Current Report on Form 8-K dated March 20, 1996.

/s/ ARTHUR ANDERSEN LLP

ARTHUR ANDERSEN LLP

Houston, Texas
October 11, 1996

USA WASTE SERVICES, INC.
1996 STOCK OPTION PLAN
FOR NON-EMPLOYEE DIRECTORS

1. Purpose. The principal purpose of this 1996 Stock Option Plan for Non-Employee Directors (the "Plan") is to benefit USA WASTE SERVICES, INC. (the "Company") and its subsidiaries through offering its directors who are not officers, full-time employees or consultants of the Company or any of its subsidiaries an opportunity to become holders of stock in the Company, thereby giving them a stake in the growth and prosperity of the Company, in order to enable them to represent the viewpoint of other stockholders of the Company more effectively and to encourage them to continue serving as directors of the Company.

2. Administration. The Plan shall be administered by the Compensation and Stock Incentive Plan Committee of the Board of Directors (the "Committee"), whose interpretation of the terms and provisions of the Plan and whose determination of matters pertaining to options granted under the Plan shall be final and conclusive.

3. Eligibility. Options shall be granted under this Plan only to members of the Board of Directors who are not officers, full-time employees or consultants of the Company or any of its subsidiaries (each such director receiving options granted under the Plan and each other person entitled to exercise an option granted under the Plan is referred to herein as an "Optionee").

4. Grant of Options. (a) An option under which a total of 10,000 shares of the common stock of the Company may be purchased from the Company shall be automatically granted to each eligible director of the Company on the first business day of January 1996 and on the first business day of January of each year thereafter in which such eligible director is still serving as a director (whether or not such director's term has been continuous). The aggregate number of shares which shall be available to be so optioned under this Plan shall be 400,000 shares. Such number of shares, and the number of shares subject to options outstanding under the Plan, shall be subject in all cases to adjustment as provided in Paragraph 10 hereof. No option shall be granted under the Plan subsequent to January 1, 2006.

(b) Notwithstanding any of the foregoing to the contrary, in the event an option expires or is terminated or canceled unexercised as to any shares of common stock, such released shares may again be the subject of an option granted under the Plan. Shares subject to options may be made available from unissued or reacquired shares of common stock.

(c) Nothing contained in the Plan or in any option granted pursuant thereto shall in itself confer upon any Optionee any right to continue serving as a director of the Company or interfere in any way with any right of the Board of Directors or stockholders of the Company to remove such director pursuant to the restated certificate of incorporation or by-laws of the Company or applicable law.

5. Option Price. Subject to adjustment under Paragraph 10 hereof, the option price shall be the fair market value, on the date as of which the option is granted, of the stock subject to the option, which shall be, for purposes of this Paragraph, the closing sales price of the Company's common stock on the New York Stock Exchange Composite Tape (as reported in The Wall Street Journal, Southwest Edition) (or, if the Company's common stock is not then traded on the New York Stock Exchange, on the principal market where such common stock is actively traded) on the date as of which the option is granted.

6. Duration of Options; Vesting. Subject to the provisions of Paragraph 8 hereof, each option shall be for a term of ten years. Each option shall become exercisable with respect to 20% of the total number of shares subject to the option on each of the five subsequent anniversaries of the date of grant.

7. Exercise of Option. (a) An option may be exercised by giving written notice to the Company, attention of the Secretary, specifying the number of shares to be purchased, accompanied by the full purchase price for the shares to be purchased either in cash, by check, by a promissory note in the form specified by the Company and payable to the Company 15 business days after the date of exercise of the option, by shares of the Company's common stock or by a combination of these methods of payment. For this purpose, the per share value of the Company's common stock shall be the fair market value on the date of exercise (or if the date of exercise is not a trading day on the trading day next preceding the date of exercise), which shall be, for purposes of this Paragraph, the average of the highest and lowest sales price of the Company's common stock on the New York Stock Exchange Composite Tape (as reported in The Wall Street Journal, Southwest Edition) (or, if the Company's common stock is not then traded on the New York Stock Exchange, on the principal market where such common stock is actively traded) on such date.

(b) At the time of any exercise of any option, the Company may, if its shall determine it necessary or desirable for any reason, require the Optionee (or his or her heirs, legatees or legal representatives, as the case may be) as a condition upon the exercise thereof, to deliver to the Company a written representation of present intention to purchase the shares for investment and not for distribution. In the event such representation is required to be delivered, an appropriate legend may be placed upon each certificate delivered to the Optionee upon his or her exercise of part or all of the option and a stop transfer order may be placed with the transfer agent. Each option shall also be subject to the requirement that, if at any time the Company determines, in its discretion, that the listing, registration or qualification of the shares subject to the option upon any securities exchange or under any state, federal or foreign law, or the consent or approval of any governmental regulatory body, is necessary or desirable as a condition of, or in connection with, the issue or purchase of shares thereunder, the option may not be exercised in whole or in part unless such listing, registration, qualification, consent or approval shall have been effected or obtained free of any conditions not acceptable to the Company.

8. Termination - Exercise Thereafter. (a) In the event an Optionee ceases to be a director of the Company for any reason other than death, permanent disability, resignation or retirement, such Optionee's option shall expire and all rights to purchase shares pursuant thereto shall terminate immediately.

(b) In the event of death, permanent disability (as the term is defined in the Social Security Act, as now in effect or as its shall be subsequently amended), resignation or retirement, the vesting of any unvested options shall accelerate and such options may be exercised in full by the Optionee or, if the Optionee is not living, by the Optionee's heirs, legatees, or legal representatives, as the case may be, during its specified term prior to three months after the date of death, permanent disability, resignation or retirement.

9. Non-Transferability of Options. No option shall be transferable by the Optionee otherwise than by will or the laws of descent and distribution and each option shall be exercisable during an Optionee's lifetime only by the Optionee or the Optionee's legal representative.

10. Adjustment. The number of shares subject to the Plan and to options granted under the Plan shall be adjusted as follows: (a) in the event that the Company's outstanding common stock is changed by any stock dividend, stock split or combination of shares, the number of shares subject to the Plan and to options granted thereunder shall be proportionately adjusted, (b) in the event of any merger, consolidation or reorganization of the Company with any other corporation or corporations, there shall be substituted on an equitable basis as determined by the Board of Directors, for each share of common stock then subject to the Plan and for each share of common stock then subject to an option granted under the Plan, the number and kind of shares of stock, other securities, cash or other property to which the holders of common stock of the Company will be entitled pursuant to the transaction, and (c) in the event of any other relevant change in the capitalization of the Company, the Board of Directors shall provide for an equitable adjustment in the number of shares of common stock then subject to the Plan and to each share of common stock then subject to an option granted under the Plan. In the event of any such adjustment, the exercise price per share shall be proportionately adjusted.

11. Change in Control. (a) Any option granted under the Plan prior to the date of a "Change in Control" shall be immediately exercisable in full on such date, without regard to any times of exercise established under the Paragraph 6 hereof. The term "Change in Control" shall mean the occurrence, at any time during the specified term of an option granted under the Plan, of any of the following events:

(i) The Company is merged or consolidated or reorganized into or with another corporation or other legal person (an "Acquiror") and as a result of such merger, consolidation or reorganization less than 75% of the outstanding voting securities or other capital interests of the surviving, resulting or acquiring corporation or other legal person are owned in the aggregate by the stockholders of the Company, directly or indirectly, immediately prior to such merger, consolidation or reorganization, other than the Acquiror or any corporation or other legal person controlling, controlled by or under common control with the Acquiror;

(ii) The Company sells all or substantially all of its business and/or assets to an Acquiror, of which less than 75% of the outstanding voting securities or other capital interests are owned in the aggregate by the stockholders of the Company, directly or indirectly, immediately prior to such sale, other than any corporation or other legal person controlling, controlled by or under common control with the Acquiror;

(iii) There is a report filed on Schedule 13D or Schedule 14D-1 (or any successor schedule, for or report), each as promulgated pursuant to the Securities Exchange Act of 1934, as amended (the "Exchange Act"), disclosing that any person or group (as the terms "person" and "group" are used in Section 13(d)(3) or Section 14(d)(2) of the Exchange Act and the rules and regulations promulgated thereunder) has become the beneficial owner (as the term "beneficial owner" is defined under Rule 13d-3 or

any successor rule or regulation promulgated under the Exchange Act) of 20% or more of the issued and outstanding shares of voting securities of the Company; or

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

(b) Notwithstanding any other provisions in the Plan, prior to the passage of one year from and after any Change in Control, each Optionee shall have the right to require the Company (or, if the Company is not the survivor of a merger, consolidation or reorganization with an Acquiror, the Acquiror) to purchase from him or her any or all unexercised options granted under the Plan at a purchase price equal to (i) the excess of the fair market value per share over the exercise price per share multiplied by (ii) the number of option shares specified by the Optionee for purchase in a written notice to the Company (or, if the Company is not the survivor of a merger, consolidation or reorganization with an Acquiror, the Acquiror), attention of the Secretary.

(c) For purposes of Paragraph 11(b) above, "fair market value per share" shall mean (i) except in the case of a merger, consolidation or reorganization with an Acquiror in which the Company is not the survivor (a "Termination Merger") the higher of (A) the average of the highest sales price per share of the Company's common stock on the New York Stock Exchange Composite Tape (as reported in The Wall Street Journal, Southwest Edition)(or, if the Company's common stock is not then traded on the New York Stock Exchange, on the principal market where such common stock is actively traded) on each of the five trading days immediately preceding the date the Optionee so notifies the Company or (B) the average of the highest sales price per share of the Company's common stock on the New York Stock Exchange Composite Tape (as reported in The Wall Street Journal, Southwest Edition)(or if the Company's common stock is not then traded on the New York Stock Exchange, on the principal market where such common stock is actively traded) on each of the five trading days immediately preceding the date of the Change in Control, and (ii) in the case of a Termination Merger, the higher of (x) the fair market value of the consideration receivable per share by holders of common stock of the Company in such Termination Merger, which fair market value as to any securities included in such consideration shall be the average of the highest sales price per unit of such security on the New York Stock Exchange Composite Tape (as reported in The Wall Street Journal, Southwest Edition)(or if such security is not traded on the New York Stock Exchange, the principal market where such security is traded) on each of the five trading days immediately preceding the date of the Termination Merger or (y) the amount determined pursuant to clause (c)(i)(B) of this Paragraph 11. The amount payable to each Optionee by the Company or Acquiror, as the case may be, shall be in cash or by certified check.

12. Amendment of Plan. The Board of Directors of the Company or any authorized committee thereof may amend or discontinue the Plan at any time, provided, however, that the Plan may not be amended more than once every six months except to comport with changes in the Internal Revenue Code, the

Employee Retirement Income Security Act of 1976, as amended, or the rules and regulations under each, and provided further, that no such amendment or discontinuance shall (a) without the consent of the Optionee change or impair any option previously granted, or (b) without the approval of the holders of a majority of the shares of voting common stock of the Company which are present or represented at a duly held stockholders' meeting, (i) increase the maximum number of shares which may be purchased by all eligible directors pursuant to the Plan, (ii) change the purchase price, or (iii) change the option period or increase the time limitations on the grant of options.

13. Effective Date. The Plan has been adopted and authorized by the Board of Directors for submission to the stockholders of the Company. If the Plan is approved by the affirmative vote of the holders of a majority of the shares of the voting common stock of the Company which are present or represent at a duly held stockholders' meeting it shall be deemed to have become effective as of January 1, 1996. Options may be granted under the Plan prior, but subject, to approval of the Plan by the stockholders of the Company and, in each such case, the date of grant shall be determined without reference to the date of approval of the Plan by the stockholders of the Company.