

8 STOCK OPTION PLANS

The Company's 1997 Stock Incentive Plan provides for the grant to key employees of incentive and nonqualified stock options, stock appreciation rights, restricted stock and performance shares. In addition, under the 1997 Stock Incentive Plan, outside directors (directors who are not employees of the Company or any subsidiary) receive automatic annual grants of nonqualified stock options to purchase 2,000 shares of common stock. Under the 1997 Stock Incentive Plan, 624,425 shares in the aggregate of common stock were reserved for grants. The purchase price of shares issued on the exercise of incentive options must be at least equal to the fair market value of such shares on the date of grant. The purchase price for shares issued on the exercise of nonqualified options and restricted and performance shares is fixed by the Compensation Committee of the Board of Directors. The options granted become exercisable as determined by the Compensation Committee and expire no later than 10 years after the date of grant.

During 1994, the stockholders of the Company approved the adoption of the Company's 1994 Key Employee Stock Incentive Plan, which provided for the grant to key employees of incentive and nonqualified options to purchase shares of common stock of the Company. During 1998, the Company's stockholders approved the adoption of the Company's 1998 Outside Directors Stock Option Plan which, as amended, provided for the automatic grant on February 1, 1998 and February 1, 1999 of nonqualified stock options to the Company's outside directors. Although no additional options may be granted under the 1994 Key Employee Stock Incentive Plan or the 1998 Outside Directors Stock Option Plan, all outstanding options under those plans continue to be governed by the terms and conditions of those plans and the existing option agreements for those grants.

Option transactions for the three years in the period ended December 31, 2003 are as follows:

	SHARES	WEIGHTED AVERAGE EXERCISE PRICE
Options outstanding at January 1, 2001	492,350	\$ 10.50
Granted in 2001	81,000	\$ 15.31
Expired in 2001	(13,600)	\$ 10.84
Exercised in 2001	(234,900)	\$ 10.46
Options outstanding at December 31, 2001	324,850	\$ 11.62
Granted in 2002	201,500	\$ 21.05
Expired in 2002	(5,500)	\$ 8.34
Exercised in 2002	(53,500)	\$ 11.06
Options outstanding at December 31, 2002	467,350	\$ 15.82
Granted in 2003	12,000	\$ 29.30
Expired in 2003	(4,550)	\$ 20.18
Exercised in 2003	(187,200)	\$ 14.19
Options outstanding at December 31, 2003	287,600	\$ 17.38
Exercisable options at December 31, 2001	174,350	\$ 11.89
Exercisable options at December 31, 2002	261,100	\$ 13.81
Exercisable options at December 31, 2003	217,000	\$ 15.41