

SECURITIES MARKETING AGREEMENT

This Securities Marketing Agreement ("Agreement") is made and entered into this day of April 1, 2005 by and between CAPITAL INVESTMENT GROUP, INC., a North Carolina corporation with its principal place of business at 17 Glenwood Avenue, Raleigh, North Carolina 27603 ("Capital Investment Group"), and _____(the "Institution"), with its principal place of business at_____.

WHEREAS, Capital Investment Group is a broker/dealer registered under the Securities Exchange Act of 1934, as amended; and

WHEREAS, _____is a financial institution or an affiliate thereof (references to the "Institution" shall refer to the depository institution and/or its affiliates); and

WHEREAS, Capital Investment Group desires to furnish the Products and Services to suitable customers referred to it by Institution (the "Customers") and to offer Products and Services to Customers and to the general public on the premises of Institution (the "Premises") as provided in the Agreement; and,

WHEREAS, Institution desires to make available to its customers certain non-deposit investment products (the "Products") and services relating to the Products (the "Services") (collectively, the "Products and Services"); and,

WHEREAS, Institution and Capital Investment Group wish to provide specific terms and conditions concerning the delivery of the Products and Services by Capital Investment Group to Customers and the use of the Premises **WHERE APPLICABLE** by Capital Investment Group.

NOW, THEREFORE, Institution and Capital Investment Group agree that Capital Investment Group will provide the Products and Services to Customers and on the Premises **WHERE APPLICABLE** in accordance with the terms and conditions set forth below:

1. Securities Program. Capital Investment Group shall provide, by and through its registered representative(s), the following services through the "Securities Program":

(a) Brokerage Services. Subject to the terms and conditions of this Agreement, Capital Investment Group will execute purchases and sales of securities approved by Capital Investment Group for marketing through the Securities Program, including equity and debt securities, mutual fund and investment company products, limited partnership interests, variable life contracts, variable annuities and such other securities as may legally be offered (collectively, "securities"), on behalf of customers of Capital Investment Group, including depositors and other customers of the Institution and the general public (collectively, "Customers"). The parties acknowledge that Capital Investment Group is a general securities broker/dealer and that Capital Investment Group may individually deal for its own account, make a market in any security or underwrite securities as a principal, but that it will not engage in such activities as a part of the Securities Program. The parties also acknowledge that Capital Investment Group may act as a

principal to make markets in or underwrite securities of issuers or other entities with which it is affiliated, but that it will not engage in such activities as a part of the Securities Program.

(b) Product Selection. Securities to be offered through the Securities Program shall be selected by Capital Investment Group, which shall maintain and furnish the Institution with a list of approved products. If the Institution does not wish a particular product to be offered to Customers, it shall so notify Capital Investment Group in writing. Capital Investment Group agrees to honor such requests as of the date of receipt of written notice.

(c) Marketing Education, Research, Technical Assistance and Other Services. Capital Investment Group will provide marketing, education, research, technical assistance, and other services to the Institution, including:

(1) Capital Investment Group-sponsored promotion of the Securities Program, including promotional materials for the program in general and for individual products;

(2) advice and assistance regarding, and review of, all advertising and promotion of the Securities Program by the Institution;

(3) initial and ongoing training of the Institution's employees with respect to the Securities Program;

(4) establishing and monitoring of compliance and procedures for the implementation of the Securities Program;

(5) monitoring of operations, compliance with applicable securities laws, rules, regulations, procedures and instructions;

(6) fidelity insurance coverage for the securities activities of Capital Investment Group and all registered representatives of Capital Investment Group; and

(7) sending and receiving transaction confirmations, account statements, cash and securities directly to and from Customers.

(d) Customer Acknowledgement. Prior to executing a securities transaction for any Customer, Capital Investment Group shall obtain a written acknowledgement from each Customer which states that : (i) Capital Investment Group and not the Institution, is the party which is registered as a broker and is the party offering the Securities Program; (ii) Capital Investment Group and the Institution are independently owned and operated; (iii) the securities program and related transactions are not obligations of the Institution; (iv) the securities program and related transactions are not guaranteed by the Institution; (v) the securities program and related transactions involve investment risks, including the possible loss of principal; and (vi) the securities being offered through the Securities Program are not deposit accounts and have not been endorsed, and are not insured, by the Federal Deposit Insurance Corporation (the "FDIC") or other insurance applicable to Institution deposit accounts. (See FINRA Rule 2350). If Capital Investment Group's services include any written or oral representations concerning insurance coverage, other than FDIC insurance coverage, such as SIPC (Securities Investors Protection

Corporation), then clear and accurate written and oral explanations of the coverage must also be provided to the customers when such representations are first made.

(e) Limitations. Capital Investment Group shall not: (i) act as a broker for fiduciary accounts of the Institution, unless the Institution determines that the use of Capital Investment Group is consistent with the Institution's fiduciary duties; or (ii) offer Customers discretionary securities trading accounts through Capital Investment Group's operations which are located at the offices of the Institution or any of its branches.

(f) Branch Registration. **WHERE APPLICABLE**, Capital Investment Group shall register each branch of the Institution where the Securities Program is offered as a branch office of Capital Investment Group.

(g) Compliance. Capital Investment Group will comply with all applicable laws and regulations, and will act consistently with the provisions of Interagency Statement and Retail Sales of Non-deposit Investment Products issued by the Federal Reserve dated February 15, 1994 (the "Statement") and the Joint Interpretation of Interagency Statement on Retail Sales of Non-deposit Investment Products dated September 12, 1995 (the "Interpretation") and any amendments to the Statement and the Interpretation, and, in particular, with the provisions relating to customer disclosures as set forth in the Statement.

2. Modification of Services. Capital Investment Group may modify its services from time to time for the purpose of meeting applicable regulatory requirements; providing more effective, efficient, economical or competitive services; adapting to new technology or conditions; or enhancing the reputation or public acceptance of Capital Investment Group's services. Notwithstanding that any such modification may adversely affect the operation of any or all of the Capital Investment Group operations, the Institution shall accept any such modification(s) of such services and shall comply in all respects with Capital Investment Group's manuals, rules, procedures and instructions.

3. Registered Representatives. Securities marketed through the Securities Program shall be offered and sold, and transactions shall be effected, only by registered representatives ("Registered Representatives") of Capital Investment Group, who shall be registered with and qualified as required by the Securities and Exchange Commission (the "SEC"), the Financial Industry Regulatory Authority ("FINRA") and appropriate state regulatory authorities, and who shall be affiliated with and supervised by Capital Investment Group but employed by the Institution. The parties hereto acknowledge that Registered Representatives are independent contractors affiliated with Capital Investment Group. Capital Investment Group and the Institution hereby further acknowledge that some or all of the Registered Representatives may be engaged in businesses other than securities and insurance brokerage and that Capital Investment Group has no control over such businesses and shall have no liability therefore to the extent such business products or services are not offered by Capital Investment Group pursuant to this Agreement.

Notification of Termination- Capital Investment Group must promptly notify the financial institution if any agent of Capital Investment Group providing services to Institution and its customers under this Agreement is terminated for cause by Capital Investment Group.

In turn, the Institution must immediately notify Capital Investment Group if any agent of Capital Investment Group providing services to the Institution and its customers is terminated for cause by the Institution.

4. Institution Acknowledgement. Institution agrees that: It will have a comprehensive view of each Registered Representative's securities activities; it employs policies and procedures reasonably designed to achieve compliance with the anti-fraud provision of the federal securities law; and it will promptly notify the Capital Investment Group of any violation of the policies and procedures by the Registered Representative.

5. Indemnification.

(a) Except to the extent prohibited or limited by law, Capital Investment Group shall defend, indemnify and hold harmless the Institution against any and all losses, claims, damages, liabilities, actions, costs or expenses, including reasonable attorneys' fees incurred by it in connection with investigating any claim against it and defending any action (collectively "Losses"), in addition to any amounts paid in settlement or compromise, provided Capital Investment Group shall have given its prior written approval of such settlement or compromise, for which the Institution may become liable and which arise out of or are based upon: (i) any act or omission to act by any Registered Representative acting under actual authority as a Registered Representative or otherwise engaged in the purchase, sale, offer to purchase, or offer to sell any security on behalf of Capital Investment Group, (ii) the failure of Capital Investment Group to remain a member of the FINRA or to remain a duly licensed broker under Federal and applicable state securities laws; (iii) the failure of a Registered Representative to remain duly licensed with Capital Investment Group; or (iv) any violation or alleged violation of Federal or state securities or banking regulations (including the Statement or Interpretation), laws and rules arising out of the sale of securities under this Agreement.

(b) Except to the extent prohibited or limited by law, the Institution shall defend, indemnify and hold harmless Capital Investment Group from and against any and all Losses, in addition to any amounts paid in settlement or compromise, provided the Institution shall have given its prior written approval of such settlement or compromise, for which Capital Investment Group may become liable and which arise out of or are based upon: (i) the negligence or willful misconduct of employees of the Institution; (ii) the failure of the Institution to obtain the approval of Capital Investment Group for advertising, sales literature or promotional material which mentions Capital Investment Group; (iii) the failure of the Institution or any of its employees to observe the restrictions imposed on any of them as set forth in Section 6 of this Agreement; or (iv) the violation or alleged violation of Federal or state banking laws, rules or regulations or other laws, rules and regulations applicable to the Institution which are not the result of Capital Investment Group's negligence or willful misconduct.

(c) If any claim is made or lawsuit, proceeding or enforcement action is filed (hereinafter, "Claim" or "Claims") against any party entitled to the benefit of indemnity hereunder, written notice thereof shall be given to the indemnifying party as promptly as practicable (and in any event within twenty (20) days after receipt of the Claim or the service of the citation or summons); provided, that the failure of any indemnified party to give timely notice shall not affect rights to indemnification hereunder except to the extent that the

indemnifying party demonstrates actual damage caused by such failure. The indemnifying party shall be entitled, if it so elects, to take control of the defense and investigation of such Claim, and to employ and engage attorneys of its own choice who are reasonably acceptable to the indemnified party to handle and defend the same, at the indemnifying party's cost, risk and expense. The indemnifying party shall notify the indemnified party in writing of its election to defend in good faith any such Claim as soon as it is practicable, but in no event more than fifteen (15) days after receipt of written notice thereof by the indemnifying party from the indemnified party. The indemnifying party shall have the right to settle or compromise any such Claim without the consent of the indemnified party at any time utilizing its own funds to do so, if in connection with such settlement or compromise the indemnified party is fully released by the third party and is paid any indemnification amounts due hereunder. If the indemnifying party fails, or does not elect, to assume the defense of such Claim within fifteen (15) days after receipt of notice pursuant to this Section, the indemnified party will (upon delivering notice to such effect to the indemnifying party) have the right to undertake, at the indemnifying party's cost and expense, the defense, compromise or settlement of such Claim on behalf of and for the account and risk of the indemnifying party; provided, however, that such Claim shall not be compromised or settled without the written consent of the indemnifying party, which consent shall not be unreasonably withheld. In the event the indemnified party assumes defense of the Claim, the indemnified party will keep the indemnifying party reasonably informed of the progress of any such defense, compromise or settlement. The indemnifying party shall be liable for any settlement of any Claim effected pursuant to and in accordance with this Section and or any final judgment or assessment (subject to any right of appeal), and the indemnifying party agrees to indemnify and hold harmless the indemnified party from and against any damages by reason of such settlement or judgment (subject to the limitations contained herein).

(d) The indemnified party shall cooperate in all reasonable respects with the indemnifying party and its attorneys in any investigation, trial and defense relating to a Claim and any appeal arising therefrom; provided, however, that the indemnified party may, at its own cost, participate in the investigation, trial and defense of such Claim and any appeal arising therefrom.

(e) The rights of the parties to indemnification provided for in this Section 5 shall survive the termination of this Agreement.

6. Restrictions on the Institution and Its Employees.

(a) Permitted Activities. In connection with the Securities Program, employees of the Institution who are not Registered Representatives ("Institution Employees") may engage only in various clerical and ministerial activities as follows: (i) the distribution of promotional literature regarding the services of Capital Investment Group; (ii) introducing or directing persons to Registered Representatives of Capital Investment Group and/or giving customers information on how to contact Capital Investment Group; (iii) taking and transmitting messages for or routing telephone calls to Capital Investment Group; (iv) providing a telephone number where the Registered Representative can be reached if he or she is not on-site at the Institution; (v) scheduling an appointment for the Customer to meet the Registered Representative; (vi) accepting cash, checks, or securities for the securities customer accounts of Capital Investment

Group; and (vii) any other activities of a similar kind relating to the activities of Capital Investment Group, but not involving soliciting or advising customers or executing transactions .

(b) Prohibited Activities. Institution Employees shall not: (i) make recommendations to a customer relating to the purchase or sale of securities; (ii) give any form of investment advice; (iii) deliver prospectuses to customers; (iv) open a securities customer account for Capital Investment Group; (v) complete or assist the client in completing new securities customer account forms; (vi) manage cash, checks or securities for Capital Investment Group; (vii) take orders from a customer for Capital Investment Group; (viii) solicit a customer for Capital Investment Group, except to the extent that the Institution Employee is performing ministerial duties; (ix) answer customer questions about the advisability of purchasing or selling securities; (x) make representations to a customer about securities; (xi) describe investment vehicles to a customer; (xii) discuss the merits of any security with a customer; or (xiii) handle any questions that might require familiarity with the securities industry or require the exercise of judgment regarding securities. The Institution shall not hold securities or funds used for, or received from, the purchase or sale of securities, unless the Customer places such securities in a safe deposit box or account at the Institution. In addition, the Institution shall not extend credit to Customers for use in connection with the purchase or sale of securities.

(c) Insurance and Annuity Products. The Institution and Institution Employees and any independent contractors therewith must transact any offer and sale of insurance and annuity products and services, other than credit insurance products through Capital Insurance Affiliates. The economic or other benefits which result and accrue as a result of such transaction will be subject only to distribution arrangements set by Capital Insurance Affiliates.

(d) Compliance. The Institution and Institution Employees shall comply in all respects with Capital Investment Group's compliance procedures ("Compliance Procedures"), as they may be modified from time to time. The Institution shall monitor the activities of, and cause compliance by, Institution Employees with the standards of conduct established for such persons and shall report to Capital Investment Group any violations of such standards of conduct of which the Institution has actual knowledge or substantial grounds for suspicion.

(e) Training. Capital Investment Group shall make available materials to assist the Institution in training Institution Employees regarding standards of conduct and permissible activities in connection with the services of Capital Investment Group. The Institution shall make Institution Employees available from time to time to participate in such training.

7. Separation of Businesses. The Institution shall maintain strict and total separation of its business from the business of Capital Investment Group conducted pursuant to the Securities Program, including the separation of books and records and physical facilities, and shall conduct its business at all times so as not to lead to confusion between the business conducted by the Institution and the business conducted by Capital Investment Group. **WHERE APPLICABLE** the space designated for use by Capital Investment Group for dealing with Customers (the "Investment Desk Area") shall be visually distinct and plainly distinguishable to Customers as the space occupied by Capital Investment Group, and shall be identified as such through the use of appropriate signs, labels and/or partitions.

8. Confidentiality. Under the terms of this Agreement, Capital Investment Group will receive or have access to information or materials which are proprietary to Institution and may constitute non-public personal information of Institution's customers ("Institution Confidential Information").

Capital Investment Group agrees that it shall not disclose or use Institution Confidential Information for any purpose other than expressly allowed in this Agreement. Capital Investment Group shall take all steps necessary to maintain the confidentiality of Institution Confidential Information. Capital Investment Group shall limit distribution of Institution Confidential Information to only those persons directly involved in performing the services described in this Agreement. Capital Investment Group further agrees not to reproduce in any manner or allow reproduction of Institution Confidential Information except as necessary for the performance of its duties under this Agreement.

Upon termination of this Agreement, Capital Investment Group shall immediately return to Institution any Institution Confidential Information, including all reproductions thereof made by Capital Investment Group, if any. Capital Investment Group shall in no event retain Institution Confidential Information in any form, except as required by law. Capital Investment Group shall indemnify and hold Institution harmless for any and all damages, claims, losses, liabilities, or costs (including attorneys' fees) relating to any breach of this section.

Capital Investment Group agrees that any underwriter or third party vendor providing products or services to Capital Investment Group pursuant to this Agreement shall agree to maintain the confidentiality of Institution Confidential Information on the same terms as provided in this section. In the event any underwriter or third party vendor refuses to comply with the confidentiality terms of this Agreement, Capital Investment Group shall terminate any relationship with that underwriter or vendor immediately.

The obligations of the parties under this section shall survive the termination of this Agreement.

9. Access. **WHERE APPLICABLE**, Capital Investment Group supervisory personnel and representatives of regulatory authorities or any other entity having jurisdiction over Capital Investment Group shall have unimpeded access during regular business hours of the Institution to the Investment Desk Area, and to all books and records maintained by Capital Investment Group in connection with the operation of the Securities Program.

Institution personnel and representatives of regulatory authorities or any other entity having jurisdiction over the Institution shall have unimpeded access during regular business hours of the Institution to the Investment Desk Area, and to all books and records maintained by Capital Investment Group in connection with the operation of the Securities Program.

Additionally, the Institution shall have the ability to monitor Capital Investment Group and periodically review and verify that Capital Investment Group and its sales representatives are complying with the terms of this Agreement and applicable laws and regulations.

10. Costs and Expenses Borne by the Institution.

(a) **WHERE APPLICABLE** the Institution shall be directly responsible for the costs and expenses associated with the following items in connection with Capital Investment Group's operation of the Securities Program: (i) office space, telephones, utilities, furnishings, supplies, equipment and general liability insurance for the premises used in the operation of the Investment Desk Area and such "back office" space as may be agreed to be provided for use by Capital Investment Group in the offices of the Institution; (ii) salary, benefits and other costs for the Institution Employees; and (iii) any Institution-sponsored advertising and promotion.

(b) Except as set forth in Section 5, the Institution shall not be liable for any debt or liability of Capital Investment Group.

11. **Costs and Expenses Borne by Capital Investment Group.** Capital Investment Group shall be directly responsible for the following costs and expenses in connection with the operation of the Securities Program:

(a) Capital Investment Group-authorized promotion of the Securities Program and of individual products;

(b) all expenses and costs of Capital Investment Group's employees;

(c) all costs associated with the operation of Capital Investment Group's offices and support staff;

(d) reasonable quantities of promotional literature; and

(e) technical assistance, compliance and supervision.

12. **Compensation.** Capital Investment Group will pay Institution as compensation for revenues generated by the sale of Products and Services to Customers or on the Premises ("Payments") to the Institution as set forth on the Payment Schedule attached hereto.

13. **Advertising and Promotion.**

(a) Capital Investment Group shall be responsible for any promotion of the Securities Program and of individual products offered through the Securities Program. All advertising, sales literature and promotional materials to be provided to Institution's customers must be pre-approved by Institution. Capital Investment Group may use the Institution's name only to identify the locations where information regarding the Securities Program or individual products may be obtained. Nothing contained herein obligates Capital Investment Group to conduct any media advertising.

(b) All of Capital Investment Group's confirmations and account statements must indicate clearly that the broker-dealer services are provided by Capital Investment Group and appear no smaller than the Institution's name and/or logo.

(c) All advertising and promotional materials, whether prepared by Capital Investment Group or the Institution, shall state that: (i) the Securities Program is being offered solely by Capital Investment Group; (ii) Capital Investment Group is not affiliated with the

Institution; (iii) Capital Investment Group, and not the Institution, is registered as a broker; and (iv) the securities offered through the Securities Program are (A) not deposit accounts; (B) not insured by the FDIC or other insurance applicable to Institution deposit accounts; (C) not obligations of the Institution; (D) not guaranteed by the Institution; and (E) involve investment risks, including the possible loss of principal. **Example:** The following shorter logo, format disclosures may be used by members in advertisements and sales literature, including material published, or designed for use, in radio or television broadcasts, Automated Teller Machines (“ATM”) screens, billboards, signs, posters and brochures, to comply with the above requirements, provided that such disclosures are displayed in a conspicuous manner, bold typed and boxed: “NOT FDIC INSURED; NO BANK GUARANTEE; MAY LOSE VALUE”. As long as the omission of the required disclosures would not cause the advertisement or sales literature to be misleading in light of the context in which the material is presented, such disclosures are not required with respect to messages contained in: radio broadcasts of 30 seconds or less, electronic signs, including billboard-type signs and ticker tape signs, but excluding messages contained in such media as television, on-line computer services, or ATMs; and signs, such as banners and posters when used only as location indicators.

(d) Recommendations by Capital Investment Group concerning non-deposit investment products with a name similar to that of a financial institution must only occur pursuant to policies and procedures reasonably designed to minimize risk of customer confusion.

(e) Any advertising of the Securities Program by the Institution will be done at the Institution’s option and expenses. The Institution shall obtain prior written approval from Capital Investment Group of all advertising, sales literature and promotional materials, if any, which mention Capital Investment Group, the Securities Program or individual products marketed by Capital Investment Group.

14. Customer Relationships. Capital Investment Group will structure and conduct its activities to preserve and maintain customer and client relationships between Institution and its customers.

15. No Tying. Insurance and annuities shall not be marketed in such a way that would lead a reasonable retail customer to believe that an extension of credit, in violation of section 106(b) of the Bank Holding Company Act amendments of 1970 or other applicable laws and regulations, is conditioned upon the purchase of an insurance or annuity product from the Institution or an affiliate of the Institution, or upon an agreement by the customer not to obtain, or a prohibition on the customer obtaining, an insurance product from an entity not affiliated with the Institution.

16. Domestic Violence Discrimination. To the extent Capital Investment Group may in any way become involved in any insurance underwriting, pricing, renewal, or scope of coverage decision, as in payment of insurance claims, in connection with a life or health insurance product or service offered to Customers on the Premises, Capital Investment Group shall not consider as a criterion, unless required or expressly permitted to do so under applicable state law, the status of a person who is applying for insurance, or a person who is insured, as a

victim of "domestic violence" (as that term is defined in Section 47(e)(3) of the Federal Deposit Insurance Act), or as a provider of services to victims of "domestic violence."

17 Term and Termination. The term of this Agreement will continue from the Effective Date until this Agreement is terminated as provided herein. "Effective Date" shall mean the date on which this Agreement is executed.

(a) Termination Upon Notice. This Agreement may be terminated by Capital Investment Group or the Institution by consent of the parties or upon thirty (30) days' written notice of one party to the other. Such notice shall be deemed effective as specified in Section 21 of this Agreement.

(b) Termination for Cause by Capital Investment Group. Capital Investment Group may terminate this Agreement immediately without notice upon the occurrence of any action by the Institution which would entitle the SEC, the FINRA or any other Federal or state regulatory body to impose administrative or regulatory sanctions or penalties against Capital Investment Group or the Institution, or upon the commencement of any civil, criminal or administrative proceeding by the FINRA, the SEC, or any Federal or state regulatory body against the Institution. The Agreement may also be terminated if the termination or resignation of a Registered Representative results in there being no other Registered Representatives in the Institution's securities program.

(c) Termination for Cause by the Institution. The Institution may terminate this Agreement (i) immediately without notice upon the occurrence of any action by Capital Investment Group which would entitle the SEC, the FINRA or any other Federal or state securities regulatory body to impose administrative or regulatory sanctions or penalties against Capital Investment Group or the Institution, or upon the commencement of any civil, criminal or administrative proceeding by the FINRA, the SEC, or any Federal or state regulatory body against Capital Investment Group, or (ii) upon a material breach of any provision of this Agreement by Capital Investment Group which breach is not cured within five (5) business days after written notice of breach is given to Capital Investment Group.

18. Exclusivity: Institution agrees that, during the term hereof, securities brokerage, life insurance and annuities brokerage and/or securities investment advisor services that are competitive with Capital Investment Group will not be offered by, or made available through the auspices of Institution or any entity that controls Institution or under common control with Institution.

19. Representations and Warranties of the Institution. The Institution represents and warrants to Capital Investment Group that: (i) the Institution has full legal right, power and authority to enter into and perform this Agreement; (ii) this Agreement has been duly authorized, executed and delivered by the Institution and constitutes the legal, valid and binding agreement of the Institution; and (iii) no consent, approval, authorization or order of any regulatory authority, except those previously obtained by the Institution, disclosed to Capital Investment Group and in full force and effect, is required in connection with the transactions contemplated by this Agreement on the part of the Institution.

20. Representation and Warranties of Capital Investment Group. Capital Investment Group represents and warrants to the Institution that: (i) Capital Investment Group has full legal right, power and authority to enter into and perform this Agreement; (ii) this Agreement has been duly authorized, executed and delivered by Capital Investment Group and constitutes the legal, valid and binding agreement of Capital Investment Group; and (iii) Capital Investment Group has obtained all consents, approvals, authorizations and orders of any regulatory authorities required in connection with the transactions contemplated by this Agreement on the part of Capital Investment Group.

21. Notices. All notices, requests, demands, and other communications made hereunder shall be in writing and shall be deemed duly given if delivered by hand or sent by registered or certified mail, postage prepaid, return receipt requested, or a nationally-recognized overnight courier service, charges prepaid, to the respective address set forth below or to such other address as any party may specify by notice to the others in accordance with this Section 20, or if telecopied (with receipt confirmed) to the recipient at such party's telecopy number set forth below.

The Institution

Capital Investment Group, Inc.
17 Glenwood Avenue
P.O. Box 32249
Raleigh, North Carolina 27622
Attn: Richard K. Bryant

21. Miscellaneous.

(a) Complete Agreement; Amendment; Assignment; Successors. This Agreement constitutes the entire understanding of the parties with respect to this subject matter. This Agreement may be amended only in writing signed by each of the parties. Neither party may

assign this Agreement without the prior written consent of the party. This Agreement shall be binding upon, inure to the benefit of, and be enforceable by and against, the successors and permitted assigns of each of the parties.

(b) Remedies. Neither party shall be liable to the other for special, indirect or consequential damages arising out of any breach of its obligations under this Agreement other than the obligation to indemnify set forth in Section 5 of this Agreement. The remedies provided herein are exclusive and shall survive the termination of this Agreement.

(c) Severability. In the event that any court of competent jurisdiction, arbitration tribunal, regulatory agency or self-regulatory organization shall declare invalid any provisions of this Agreement, such provisions shall be deemed to be rescinded or modified to the extent necessary to render them consistent or enforceable, as the case may be, with applicable laws, rules or regulations; and such invalidity shall have no effect on the other provisions hereof, which shall remain valid and binding and in full force and effect, and to that end the provisions of this Agreement shall be considered severable.

(d) Waiver. The failure by either party to exercise any right, power, remedy or privilege contained herein, or now or hereafter existing under controlling law, shall not be construed to be a waiver of such right, power, remedy or privilege or to preclude further exercise thereof.

(e) Status of the Parties. Capital Investment Group shall for all purposes herein be deemed to be an independent contractor of the Institution. Neither this Agreement nor any operation hereunder is intended to be, shall be deemed to be, or shall be treated as creating an agency relationship, general or limited partnership, association or joint venture between Capital Investment Group and the Institution.

(f) Headings. The headings to sections of this Agreement are for convenience of reference only and shall not affect its construction or interpretation.

(g) Counterparts. This Agreement may be executed in one or several counterparts, each of which shall be deemed an original agreement, but all of which together shall constitute one and the same instrument.

(h) Governing Law. Except for matters controlled by Federal securities laws, this Agreement shall be governed by and construed in accordance with the laws of the State in which Institution maintains its principal place of business.

(i) Arbitration. The parties agree that all controversies arising out or in connection with this Agreement shall be determined by arbitration to be held in the City of Raleigh, State of North Carolina, and in accordance with the then current rules of the National Association of Securities Dealers, Inc., or, if no such rules are then in effect or if jurisdiction is declined, the American Arbitration Association; provided, however, that (a) the arbitrator(s) shall be experienced and knowledgeable in the matters under dispute, (b) the authority of the arbitrator(s) shall be limited to construing and enforcing the terms and conditions of this Agreement as expressly set forth herein, and (c) the arbitrator(s) shall state the reasons for, and the legal

analysis and conclusions underlying, their award in a written opinion. The award of the arbitrator(s), or a majority of them, shall be final, and judgment upon the award may be confirmed and entered in any state or federal court having jurisdiction.

(j) Presumptions. The parties agree that no party, for any purpose, shall be deemed the drafter of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

CAPITAL INVESTMENT GROUP, INC.

By: _____

Its: _____

INSTITUTION

By: _____

Its: _____

PAYMENT SCHEDULE

Pursuant to the Securities Marketing Agreement (the "Agreement") which is attached hereto and shall be considered a part hereof, Capital Investment Group has agreed to make Payments to _____ (the "Institution"). All terms not otherwise defined in this Schedule shall have the same respective meanings as set forth in the Agreement.

As consideration for the sale of Products and Services to Customers or on the Premises pursuant to the Agreement, Capital Investment Group shall pay on a monthly basis to the Institution _____ percent (___%) of Net Commission (as defined below) attributable to the operation of the Institution's securities program. Capital Investment Group shall also pay on a monthly basis to the Institution _____ percent (___%) of Net Commission (as defined below) attributable to the sale of fixed annuities. If, however, Capital Insurance Affiliates or Capital Investment Group assists in the transaction, the Net Commission is split with Capital Investment Group and, then, the prevailing payment schedule applies.

As used in this Schedule, Net Commission shall be defined as the Gross Dealer Concession received by Capital Investment Group less clearing expenses, if any, as a result of any and all product sales placed through Capital Investment Group by its Registered Representative for as long as the attached Agreement is in effect. Capital Investment Group also may deduct from the Net Commission any amount attributable to defaults by Customers.

Capital Investment Group agrees to provide the Institution, on a monthly basis, with an accompanying accounting statement which will provide details of all transactions referred to in the paragraph immediately preceding this paragraph.

IN WITNESS WHEREOF, the parties hereto have indicated their agreement by signing this Schedule which will be attached to the Agreement.

CAPITAL INVESTMENT GROUP, INC.

INSTITUTION

By _____

By _____

Its: _____

Its: _____