



**DIVIDEND
REINVESTMENT
AND
COMMON STOCK
PURCHASE PLAN
OF
FIRST BANCORP
(AS AMENDED AND RESTATED)**

TROY, NORTH CAROLINA

January 26, 1999

DIVIDEND REINVESTMENT AND COMMON STOCK PURCHASE PLAN PLAN SUMMARY

The following summarizes the provisions of the First Bancorp Dividend Reinvestment and Common Stock Purchase Plan, as amended and restated on January 26, 1999 (the "Plan"). This summary is not a complete description of the Plan, a copy of which follows and is qualified by and subject to its provisions.

I. INTRODUCTION

The Plan, for holders of Common Stock of First Bancorp (the "Company") offers you a simple, easy and cost effective way to put your dividends to work through automatic reinvestment in First Bancorp Stock. If you participate in the Plan, all or a portion of your quarterly Common Stock dividends will promptly be directly invested for you in the purchase of additional shares of Common Stock. Shares will be purchased either on the open market, through privately negotiated transactions, from other participants in the Plan, or directly from the Company. Shares purchased from the Company will be original issue shares. If you choose, you may also purchase shares of Common Stock through optional cash payments of not less than twenty-five dollars (\$25.00) and not more than twenty-five hundred dollars (\$2,500.00) per dividend quarter.

Registrar and Transfer Company (the "Plan Administrator") acts as your agent in purchasing shares of Common Stock under the Plan and retains custody of the shares on your behalf. The Plan Administrator also acts as the Transfer Agent and Dividend Disbursing Agent for First Bancorp at the following address:

Registrar and Transfer Company
Dividend Reinvestment Service
10 Commerce Drive
Cranford, New Jersey 07016
Telephone: (800) 368-5948

NOTE: Beneficial owners of common stock whose shares are held in registered names other than their own, such as in the names of brokers, bank nominees or trustees, must arrange for the holder of record to join the Plan or have shares transferred to their own names if they wish to enroll in the Plan.

II. AUTHORIZATION

In order to participate, you need only sign and return an Authorization Form. If stock is owned by two or more individuals, each of the co-owners should sign the Authorization Form. An Authorization Form should accompany this brochure; you also may request an Authorization Form by contacting Registrar and Transfer Company or Shareholder Relations, First Bancorp 1-800-548-9377. Dividend payment dates currently are on or about the twenty-fifth day of January, April, July and October. The Dividend Record Date is on or about the last day of the preceding month. Authorization Forms must be received by the Plan Administrator at least five (5) business days prior to the Dividend Record Date for dividend reinvestment. You may authorize dividend reinvestment for less than all of your shares of the Company's Common Stock.

III. DIVIDEND PAYMENTS

Cash dividends credited to your account will be applied to the purchase of shares of Common Stock. A Participant's account will be credited with fractional shares computed to four decimal places.

IV. OPTIONAL CASH PAYMENTS

In addition to reinvestment of dividends, you may also purchase additional shares to be held in your Plan account through optional cash payments of not less than \$25.00 nor more than \$2,500.00 per dividend quarter. Cash payments may be made by sending a check, money order or authorized bank draft, in U.S. dollars only, payable to the Plan Administrator at the address noted on the preceding page. All optional cash payments will be held in a non-interest bearing account. Purchases of Company stock will be made on or about the 25th of each month. Payments received less than five business days before the 25th of a month will not be invested until the following month on or about the 25th of that month.

In order to assure that the proper account is credited with your optional cash payment, the detachable bottom portion of your Plan statement should be enclosed with your check.

There can be no restrictions on the investment of optional cash payments; all payments will be fully invested regardless of the price per share at the time of purchase.

V. INVESTMENT OF FUNDS

Cash dividends and optional cash payments from all accounts of participants in the Plan will be commingled and applied to the purchase of the Company's Common Stock. Shares will be purchased at the discretion of the Company either on the open market, through privately negotiated transactions, from other participants in the Plan, or directly from the Company. If the purchases are made on the open market or through privately negotiated transactions, the price will be the weighted average price of shares purchased over the relevant period. If the purchase is made directly from the Company or from other participants, the price will be based on the stock's fair market value on the day the shares are purchased. To the extent your dividend and/or any cash payment does not buy a full share, a fractional share equivalent will be credited to your account which will earn additional fractional dividends for you just as the full shares do. Purchases may be made over a number of days, but if for any reason, the Plan Administrator is precluded from acquiring shares of the Company's Common Stock for 30 days after a dividend for dividend reinvestment or 35 days as it relates to optional cash payments, the Plan Administrator shall return all such cash amounts to the Participant.

VI. COST OF THE PLAN TO PARTICIPANTS

The Company will bear the administrative costs and related fees associated with the Plan, excluding brokerage commissions from open market transactions. Each Participant will share proportionately in brokerage commissions incurred by the Plan Administrator in connection with open market transactions involving shares of the Company's Common Stock. There will be no brokerage commissions when shares are purchased directly from the Company.

VII. ACCOUNT STATEMENT

You will be sent statements summarizing transactions in your account each period in which there is activity. Your account statement will show the date and type of each transaction; the amount of funds received, whether by dividend, by optional cash payment or by sale of stock held by the Plan; number of shares purchased; the purchase or sales price per share; the tax basis for shares purchased; the number of shares sold or withdrawn in certificate form; and the share balance in your account.

The bottom portion of your statement is detachable and should be used to notify the Plan Administrator of a change in address, to accompany an optional cash payment or to request a withdrawal or termination of your Plan account.

Your year-end Plan Statement will show the date and price of each purchase or sale made on behalf of your account during the year. *FOR TAX AND OTHER PURPOSES ,YOU SHOULD PERMANENTLY RETAIN YEAR-END COPIES OF YOUR PLAN STATEMENT.*

VIII. WITHDRAWAL

You may at any time, without terminating your participation in the Plan, withdraw any or all full shares credited to your account by sending your written instructions to the Plan Administrator. A withdrawal form is provided on the reverse of the detachable bottom portion of your plan statement. You may request (1) that certificates be issued for a specified number of full shares or (2) that a specified number of full shares be sold and a check issued for the net proceeds. There is no cost to you for the issuance of certificates. Brokerage fees for the sale of shares are deducted from your proceeds.

IX. TERMINATION

You may terminate your participation in the Plan by sending written instructions to the Plan Administrator. Notice of termination must be received at least five business days prior to the dividend record date in order to avoid reinvestment of that dividend. Dividend record dates are generally the last day of March, June, September and December. Termination notices received less than five business days before a dividend record date will not be processed until after the dividend payment date and the reinvestment of the dividend.

A termination form is provided on the reverse of the detachable bottom portion of our Plan statement.

X. VOTING YOUR SHARES

You will receive a proxy statement and proxy card for every meeting of the Company's stockholders which will enable you to vote the shares in your Plan account. This proxy card will cover both the shares held by you in your name and the shares held for your account under the Plan as of the record date of the meeting.

XI. TAX REPORTING

After the close of the Calendar year, you will receive a copy of IRS Form 1099-DIV which will show the total dividends reported to the Internal Revenue Service as having been paid on both the shares held by you and the shares held in your Plan Account.

If you have any Plan Shares sold on your behalf by the Plan Administrator during the year, you will also receive a copy of IRS Form 1099-B which reports the net sale proceeds.

XII. TAX CONSEQUENCES

In general, you will be treated for Federal Income Tax purposes as having received your full dividend, including dividends on shares held in your account, even though dividends have been reinvested under the Plan. *IT IS VERY IMPORTANT THAT YOU RETAIN ALL OF YOUR YEAR-END STATEMENTS IN ORDER TO HAVE A RECORD OF THE TAX BASIS ATTRIBUTABLE TO YOUR PLAN SHARES.* You will not realize any taxable income when you receive certificates for full shares which you may request through a withdrawal or termination of your Plan account.

You will recognize gain or loss (which for most participants will be capital gain or loss) when the Plan Administrator sells shares, including fractional shares, on your behalf which you may request through a withdrawal or termination of your Plan account. The amount of your gain or loss is the difference between the amount you receive from the sale and the tax basis of those shares.

The foregoing is a general outline of the Company's understanding of some of the applicable Federal income tax provisions. For further information as to tax consequences, you should consult with your own tax advisor.

XIII. STOCK SPLITS OR STOCK DIVIDENDS

Any stock dividends or split shares in the form of Common Stock distributed by the Company on shares of Common Stock held for your Plan account will be credited to your account in the Plan. Any other non-cash dividend distributed by the Company on shares of Common Stock held for your Plan account will be distributed to you.

A stock dividend or split shares distribution in the form of Common Stock will increase automatically by that amount the number of shares held in your name on which cash dividends are reinvesting.

XIV. GENERAL

The formal text of the Plan follows this outline and should be referred to for additional details. The Company and the Plan Administrator reserve the right to amend or terminate the Plan at any time, except that there can be no more than one amendment in any six month period.

If you wish to contact the Company directly, please write or call:

FIRST BANCORP
Shareholder Relations Officer
Post Office Box 508
Troy, North Carolina 27371-0508
Telephone: 1-800-548-9377

**DIVIDEND REINVESTMENT
AND COMMON STOCK
PURCHASE PLAN OF FIRST BANCORP
(AS AMENDED AND RESTATED)
TROY, NORTH CAROLINA**

The Dividend Reinvestment And Common Stock Purchase Plan Of First Bancorp (As Amended And Restated) (the “Plan”) offers shareholders of First Bancorp (the “Company”) a simple and convenient method of reinvesting cash dividends to purchase additional shares of the Company Common Stock, as well as purchasing shares through optional cash payments. Registrar and Transfer Company, a New Jersey corporation, has been appointed the administrator of the Plan (the “Plan Administrator”) to act as Plan Administrator for shareholders electing to participate in the Plan.

The dividends and optional cash payments invested pursuant to the Plan will be used to purchase newly issued shares of Common Stock from the Company or to purchase shares of Common Stock in the open market or privately negotiated transactions or from other Participants. The price of newly issued shares of Common Stock purchased from the Company or from other Participants shall be an amount equal to the fair market value (as determined pursuant to the Plan) of such shares on the date on which such shares are purchased. The price at which the Plan Administrator shall be deemed to have purchased shares for a Participant’s account in the open market or privately negotiated transactions or from other Participants shall be the weighted average price of such shares paid by the Plan Administrator for the Participant’s allocable portion of shares purchased over a particular period that Common Stock was purchased, plus such Participant’s proportionate share of any brokerage commissions incurred thereon. Each Participant’s share of brokerage commissions may be less than he or she might incur individually because the Plan Administrator will buy shares in volume. Dividends will be reinvested on a quarterly basis, and optional cash payments will be invested on a monthly basis.

Shareholders of the Company may enroll in the Plan by completing an Authorization Form and returning it to Registrar and Transfer Company, 10 Commerce Drive, Cranford, New Jersey 07016, Attention: First Bancorp Dividend Reinvestment Plan Administrator. Shareholders who are participants in the Plan may terminate their participation at any time. Shareholders who do not wish to participate in the Plan will continue to receive cash dividends, if and when paid, by check.

DESCRIPTION OF THE PLAN

The following description of the Plan does not purport to be complete and is subject to, and qualified in its entirety by reference to, all of the provisions of the Plan. Copies of the Plan are available from the Company upon request. The Plan initially became effective in 1993, and was amended and restated effective January 26, 1999.

1. All holders of record of Common Stock are eligible to participate in the Plan. Beneficial owners of Common Stock whose shares are held for them in registered names other than their own, such as in the names of brokers, bank nominees or trustees, should, if they wish to participate in the Plan, either arrange for the holder of record to join the Plan or have the shares they wish to enroll in the plan transferred to their own names.

2. Any holders of record of Common Stock may elect to become a Participant in the Plan by returning to the Plan Administrator a properly completed Authorization Form, which appoints the Plan Administrator as agent for the Participant and:

(a) authorizes the Company to pay to the Plan Administrator for the Participant's account all cash dividends payable on the Common Stock which the Participant has enrolled in the Plan;

(b) authorizes the Plan Administrator to retain for credit to the Participant's account any cash dividends and any shares of Common Stock distributed as a non-cash dividend or otherwise on the shares of Common Stock purchased pursuant to the Plan ("Plan Shares") and credited to the Participant's account and to distribute to the Participant any other non-cash dividend paid on such Plan Shares; and

(c) authorizes the Plan Administrator to apply such cash dividends and/or any optional cash payments made by the Participant pursuant to Paragraph 5 below to the purchase of shares of Common Stock in accordance with the terms and conditions of the Plan.

3. After receipt of the properly completed Authorization Form, the Plan Administrator will open an account under the Plan as Plan Administrator for the Participant and will credit to such account:

(a) all cash dividends received by the Plan Administrator from the Company on shares of Common Stock registered in the Participant's name and enrolled in the Plan by the Participant, commencing with the first such dividends paid after receipt of the Authorization Form by the Plan Administrator, provided that the Authorization Form is received at least five (5) business days prior to a dividend record date;

(b) all optional cash payments received from the Participant pursuant to Paragraph 5 below;

(c) all full or fractional Plan Shares purchased for the Participant's account after making appropriate deduction for the purchase price of such shares;

(d) all cash dividends received by the Plan Administrator on any full or fractional Plan Shares credited to the Participant's account;

(e) any shares of Common Stock distributed by the Company as a dividend or otherwise on Plan Shares credited to the Participant's account; and

(f) any shares of Common Stock transferred by the Participant pursuant to Paragraph 10 below.

4. Cash dividends and optional cash payments held for a Participant's Plan account will be commingled with the cash dividends and optional cash payments held for all other accounts under the Plan and will be applied to the purchase of Common Stock. The Plan Administrator will make arrangements to use reinvested dividends to purchase Common Stock on a quarterly basis, on or about the applicable dividend payment date. The Plan Administrator will make arrangements to use optional cash payments to purchase Common Stock at least once monthly, on or about the 25th day of each calendar month. In the discretion of the Plan Administrator, purchases of Common Stock made with reinvested cash dividends may be made together with purchases of Common Stock made with optional cash payments in those months that cash dividends are paid. In any case, purchases may be made over a number of days to meet the requirements of the Plan. No interest will be paid on any dividends or optional cash payments.

Shares needed to meet the requirements of the Plan may be acquired on any securities exchange on which the Common Stock is traded or in the over-the-counter market (together, the "open market"), in negotiated transactions or by purchasing shares being sold under the Plan by other Participants. In addition, in the discretion of the Company and subject to requirements of the Commission, shares may be purchased directly from the Company to be issued from authorized but unissued shares. If the Plan Administrator makes purchases in the open market or privately negotiated transactions, a Participant's price per share will be the weighted average price of shares purchased over the relevant period to satisfy Plan requirements, plus the Participant's proportionate share of the brokerage commission incurred by the Plan Administrator in connection with purchases of Plan Shares during such period. If the Plan Administrator purchases shares directly from the Company or from other Participants, a Participant's price per share will be the fair market value of the Common

Stock on the day the shares are purchased. “Fair market value” with respect to any day means the average of the high and low asked prices for shares of Common Stock, or in the absence of such information, as determined by the Plan Administrator on the basis of such market quotations or other market information as it deems appropriate.

A Participant’s account will be credited with a number of shares of Common Stock equal to the amount of cash dividends and/or optional cash payments invested on behalf of the Participant, divided by the applicable price per share of Common Stock, with fractional shares computed to at least four decimal places. Certificates for shares of Common Stock purchased under the Plan will not customarily be issued to the Participants. Instead, the Plan Administrator will hold all shares in the name of one of its nominees, and the shares of Common Stock that a Participant buys under the Plan will be credited to and maintained in the Participant’s Plan account. This feature protects against loss, theft or destruction of stock certificates. The Participant will receive a periodic statement from the Plan Administrator detailing the status of the Participant’s holdings.

In certain circumstances, the lack of shares available for purchase, the compliance with banking and securities laws, the observance of rules and regulations or governmental regulatory bodies or other conditions may result in delays or temporary curtailment or suspension of purchases of Common Stock under the Plan. Typically, purchases will resume when shares are again available or when purchases are again permitted.

If for any reason, the Plan Administrator does not acquire shares of the Common Stock within thirty-five (35) days of receipt of optional cash payments and thirty (30) days after the dividend date for dividend reinvestments, the Plan Administrator shall remit such cash amounts to the Participants promptly after such thirty-fifth (35th) or thirtieth (30th) day.

Because the Plan Administrator will arrange for the purchase of shares on behalf of the Plan, neither the Company nor any Participant in the Plan has the authority or power to control either the timing or pricing of shares purchased or the selection of the broker making the purchase. Therefore, Participants will not be able to time precisely their purchases through the Plan and will bear the market risk associated with fluctuations in the price of the Company’s Common Stock. That is, it is possible that the market price of the Common Stock could go up or down before the broker purchases stock with the Participant’s funds.

5. The Participant may at any time deposit with the Plan Administrator for credit to his account optional cash payments in amounts not less than twenty-five (\$25.00) and not greater than two thousand five hundred dollars (\$2,500) during any dividend quarter. Each optional cash payment must be accompanied by the Stock Purchase Form furnished by the Plan Administrator. The Plan Administrator will commingle the funds credited to a Participant's account with optional cash payments credited to all accounts under the Plan and will apply such funds to the purchase of shares of Common Stock as described in Paragraph 4 above. Payments received less than five (5) business days prior to the 25th of a month will not be invested until the following month on or about the 25th of that month.

6. The Plan Administrator will mail to each Participant a statement summarizing transactions in his or her account for each period in which there is activity.

7. The Plan Administrator may hold the Plan Shares of all Participants together in its name or in the name of its nominee. No certificates will be delivered to a Participant for Plan Shares except upon written request or upon termination of the account. A Participant may request certificates for any full shares credited to his account at any time. No certificates will be delivered for fractional shares. Accounts under the Plan will be maintained in the name in which the Participant's certificates are registered when the Participant enrolls in the Plan, and certificates for full shares will be similarly registered when issued to the Participant. Certificates will be registered and issued in names other than the account name, subject to compliance with any applicable laws and payment by the Participant of any applicable fees and taxes, provided that the Participant makes a written request therefor in accordance with the usual requirements of the Company for the registration of a transfer of the Common Stock of the Company.

8. It is understood that the automatic reinvestment of dividends does not relieve the Participant of any income tax which may be payable on such dividends. The Plan Administrator will comply with all applicable Internal Revenue Service requirements concerning the filing of information returns for dividends credited to each account under the Plan, and such information will be provided to the Participant by a duplicate of that form or in a final statement of account for each calendar year. With respect to Participants whose dividends are subject to United States domestic or foreign income tax withholding, the Plan Administrator will comply with all applicable Internal Revenue Service requirements concerning the amount of tax to be withheld, which will be deducted from the dividends prior to investment.

9. The Plan Administrator will forward, as soon as practicable, any proxy solicitation materials to the Participant. The Plan Administrator will vote any full and/or fractional Plan Shares that it holds for the Participant's account in accordance with the Participant's directions. If a Participant does not return a signed proxy to the Plan Administrator, the Plan Administrator will not vote such shares.

10. The Participant may transfer any issued shares of Common Stock held of record in its name to the Plan Administrator or the Plan Administrator's nominee and such shares will be held by the Plan Administrator for its account as Plan Shares subject to the terms and conditions of this Agreement.

11. A Participant may terminate its account at any time by giving a written notice of termination to the Plan Administrator. Any such notice of termination received by the Plan Administrator less than five (5) business days prior to a dividend record date will not become effective until dividends paid on the dividend payable date have been invested. The Plan Administrator may terminate a Participant's account upon written notice to the Participant if there is less than one whole share remaining in the Participant's account and the Participant is not a registered shareholder of any shares of Common Stock for which dividends have been designated for Plan reinvestment. Upon termination, the Participant may elect in writing to receive certificates representing the full Plan Shares credited to its account and cash in lieu of fractional shares or it may elect in writing to receive cash for all the full and fractional Plan Shares credited to its account. If no written election is made at the time the Plan Administrator receives the written notice of termination from the Participant or prior to expiration of the thirty (30) days notice period when the Plan Administrator terminates a Participant's account, certificates will be issued for all full Plan Shares and the Participant will receive cash for any fractional shares. When the Participant terminates its account, certificates will be issued within thirty (30) days of the notice of termination being given by such Participant.

In the event a Participant elects to receive cash for the Plan Shares credited to his account, the Plan Administrator, as the Participant's Plan Administrator, will as soon as practicable after receipt of a written request, sell such Plan Shares and deliver to it the proceeds of such sale (with such sales proceeds being delivered not later than thirty (30) days after the Plan Administrator's receipt of such request), less any brokerage commissions and any other cost of sale. Any full shares and fractional interests in shares may be aggregated and sold with those of other terminating

Participants. The proceeds to each Participant, in such case, will be the average sale price of all shares so aggregated and sold less its pro rata share of any brokerage commissions and other cost of sale. Such sales may, but need not, be made by purchase for other Participant's accounts under the Plan, in which case the sale price per share of the Company's Common Stock as reported by the principal stock exchange, or other appropriate market as determined by the Plan Administrator, on which the stock is traded on the day of receipt by the Plan Administrator of the notice of termination or, if the stock is not traded on the date of receipt, the Plan Administrator shall use the mean between the bid and asked price or such other market quotation as it may deem appropriate on such date.

In all terminations, fractional interests held in the Participant's account and not otherwise aggregated and sold will be purchased by the Plan Administrator in cash at a price deemed to be the closing sale price per share of the Company's Common Stock as reported by the principal stock exchange or other appropriate market as determined by the Plan Administrator, on which the stock is traded on the date of receipt by the Plan Administrator of the notice of termination or, if the stock is not traded on the date of such receipt, such closing sale price on the next prior date that it was so traded.

12. Participants may at any time, without terminating participation in the Plan, withdraw any or all full shares credited to their account by sending written instructions to the Plan Administrator. A withdrawal form is provided on the reverse side of the detachable bottom portion of the plan statement. The Participant may request that certificates be issued for a specified number of full shares or that a specified number of full shares be sold and a check issued for the net proceeds.

13. If at any time a Participant ceases to be a record holder of Common Stock other than by transfer of shares to the Plan Administrator to be held for its account pursuant to paragraph 10 above, the Plan Administrator, at the Company's direction, may mail a written notice to such Participant requesting instructions as to the disposition of stock in the Participant's account under the Plan. If within thirty (30) days of mailing such notice the Plan Administrator does not receive instructions from the Participant, the Plan Administrator, may, at the Company's direction, terminate the Participant's account.

14. The Participant shall notify the Plan Administrator promptly in writing of any change of address. Notices or statements from the Plan Administrator to the Participant may be given or made by letter addressed to the Participant at his last address of record with the Plan Administrator and

any such notice or statement shall be deemed given or made when received by the Participant or five (5) days after mailing, whichever occurs earlier.

15. The Participant shall not sell, pledge, hypothecate, assign, or transfer any Plan Shares held for his account by the Plan Administrator, nor shall the Participant have any right to draw checks or drafts against his account. The Plan Administrator has no obligation to follow any instructions of the Participant with respect to the Plan Shares or any cash held in his account except as expressly provided under the terms and conditions of the Plan.

16. The Company will either pay directly or reimburse the Plan Administrator for the costs of administering the Plan, including but not limited to the costs of printing and distributing Plan literature to record holders of Common Stock, forwarding proxy solicitation material to Participants, and mailing confirmations of account transactions, account statements, and other notices to Participants, and reasonable clerical expenses associated therewith. As discussed above in paragraphs 4 and 11, each Participant will share proportionately in brokerage commissions incurred by the Plan Administrator in transactions involving Plan Shares; there will be no brokerage commissions for newly issued shares purchased from the Company.

17. Neither the Company, the Plan Administrator nor its nominee(s) shall be liable hereunder for any action taken in good faith or for any good faith omission to act, including without limitation any claims of liability:

(a) arising out of failure to terminate the Participant's account upon the Participant's death prior to receipt of written notice of such death accompanied by documentation satisfactory to the Plan Administrator;

(b) with respect to the price at which Plan Shares are either purchased or sold for the Participant's account or the timing of, or terms on which, such purchases or sales are made; or

(c) for the market value or fluctuations in market value before or after the purchase of Plan Shares credited to the Participant's account. The Company further agrees to indemnify and hold harmless the Plan Administrator and its nominee(s) from all taxes, charges, expenses, assessments, claims, and liabilities, and any costs incident thereto, arising under federal or state law from the Plan Administrator's or the Company's acts or omissions to act in connection with this Plan; provided that neither the Plan Administrator or its nominee(s) shall be indemnified against any liability or costs incident thereto arising out of the Plan Administrator's or its nominee's own willful misfeasance, bad faith, gross negligence, or reckless disregard of its duties under this Plan.

18. It is understood that all purchases of Common Stock pursuant to the Plan will be made by the Plan Administrator as the independent Plan Administrator of the Participant and that neither the Company nor any of its affiliates shall have any authority or power to direct the time and price at which securities may be purchased pursuant to the Plan, the amount of securities to be purchased, or to direct the selection of any broker or dealer through whom purchases are to be made. Notwithstanding the foregoing, the Company, subject to requirements of the Commission and the provisions of paragraph 4, may direct the Plan Administrator whether shares should be purchased directly from the Company or from other sources. It is further understood that the Plan Administrator will continue to operate the Plan only so long as the Plan Administrator neither directly or indirectly controls or is controlled by the Company or its affiliates and is not under common control with the Company or its affiliates. The Plan Administrator and the Company agree that, in the event that any person serves simultaneously as a director of the Plan Administrator or any affiliate of the Plan Administrator and also as a director of the Company or an affiliate of the Company, such director will undertake to abstain from participating in any decisions relating to the Plan or the purchase or sale of securities pursuant to the Plan.

19. The Plan Administrator or the Company may terminate the Plan at any time. The terms and conditions of this Plan may be amended by the Company or the Plan Administrator, with the concurrence of the Company, at any time, provided that the Company may make such an amendment only once in any six (6) month period. No waiver or modification of the terms or conditions of the Plan shall be deemed to be made by the Plan Administrator unless in writing signed by an authorized representative of the Plan Administrator, and any waiver or modification shall apply only to the specific instance involved.

It is understood, however, that such amendments as may be required from time to time due to changes in or new rules and regulations under the federal securities laws may be made by the Plan Administrator prior to notice to each Participant.

20. This Plan, the Authorization Form incorporated herein and made by this reference a part of this Plan, and the accounts of Participants maintained by the Plan Administrator under this Plan shall be governed by and construed in accordance with the internal laws of the State of North Carolina.



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P.O. Box 508

Troy, North Carolina 27371-0508

www.firstbancorp.com

1-800-548-9377