

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM S-8  
Registration Statement  
Under the  
Securities Act of 1933

Capital City Bank Group, Inc.

(Exact Name of Registrant as Specified in its Charter)

State of Florida

59-2273542

(State or Other Jurisdiction  
of Incorporation or  
Organization)

(IRS Employer Identification No.)

217 N. Monroe Street, Tallahassee, Florida

32301

(Address of Principal Executive Offices)

(Zip Code)

Capital City Bank Group, Inc.  
1996 Associate Incentive Plan

(Full Title of the Plan)

J. Kimbrough Davis  
Senior Vice President and  
Chief Financial Officer  
217 N. Monroe Street  
Tallahassee, Florida 32301  
(904) 671-0610

(Name, Address and Telephone  
Number of Agent for Service)

Copies To:

Jeffrey A. Stoops, Esq.  
Gunster, Yoakley, Valdes-Fauli  
& Stewart, P.A.  
777 S. Flagler Drive  
Suite 500 - East Tower  
West Palm Beach, Florida 33401

If any of the securities being registered on this Form are to be offered on a  
delayed or continuous basis pursuant to Rule 415 under the Securities Act of  
1933, other than securities offered only in connection with dividend or interest  
reinvestment plans, check the following line:  X

CALCULATION OF REGISTRATION FEE

<TABLE>  
<CAPTION>

Title of Securities To Be Registered	Amount To Be Registered/(1)/	Proposed Maximum Offering Price Per Share/(2)/	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
<S>	<C>	<C>	<C>	<C>
Common Stock, par value \$.01 per share	250,000 shares	\$42.00	\$10,500,000	\$3,182.00

</TABLE>

(1) Together with an indeterminate number of additional shares which may be  
necessary to adjust the number of shares reserved for issuance pursuant to the  
Capital City Bank Group, Inc. 1996 Associate Incentive Plan as the result of a  
stock split, stock dividend or similar adjustment of the outstanding common  
stock of Capital City Bank Group, Inc. pursuant to 17 C.F.R. (S)230.416(a).

(2) Calculated pursuant to Rule 457(h), based on the last available sales price  
data for the common stock available to management of the Registrant, in  
accordance with Rule 457(h) and (c).

This Registration Statement shall become effective upon the filing in accordance  
with Section 8(a) of the Securities Act of 1933, as amended and 17 C.F.R.  
(S)230.462.

Item 1. Plan Information

This Registration Statement relates to the registration of 250,000 shares of Common Stock, \$.01 par value per share, of Capital City Bank Group, Inc. (the "Company" or the "Registrant") reserved for issuance and delivery under the Capital City Bank Group, Inc. 1996 Associate Incentive Plan (the "Plan"). Documents containing the information required by Part I of the Registration Statement will be sent or given to participants in the Plan as specified by Rule 428(b)(1). Such documents are not filed with the Securities and Exchange Commission (the "Commission" or the "SEC") either as part of this Registration Statement or as prospectuses or prospectus supplements pursuant to Rule 424 in reliance on Rule 428.

Item 2. Registrant Information and Employee Plan Annual Information.

The information required by this Item 2 is contained in the Prospectus meeting the requirements of Section 10(a) of the Securities Act of 1933, as amended.

PART II

Information Not Required in the Prospectus

Item 3. Incorporation of Documents by Reference.

The following documents filed or to be filed with the Commission are incorporated by reference in this Registration Statement:

- (a) The Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1995, which includes the consolidated statements of financial condition of the Company at December 31, 1995 and 1994, and the related consolidated statements of income, consolidated and parent company statements of shareholders' equity and consolidated statements of cash flows for each of the years in the three-year period ended December 31, 1995, together with the related notes and reports of independent certified public accountants, filed with the Commission on March 29, 1996, as amended by Form 10-K/A on April 9, 1996.
- (b) All reports filed by the Registrant pursuant to Section 13(a) or 15(d) of the Exchange Act since December 31, 1995.
- (c) The description of the Common Stock required by this Item 3(c) appears in Item 4 of this Registration Statement.
- (d) All documents filed by the Company pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Exchange Act after the date hereof and prior to the filing of a post-effective amendment which indicates that all securities offered hereby have been sold or which deregisters all securities then remaining unsold, shall be deemed to be incorporated by reference in the Registration Statement and to be a part thereof from the date of filing of such document. Any statement made in a document incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Registration Statement to the extent that such statement is replaced or modified by a statement contained in a subsequently dated document incorporated by reference or contained in this Registration Statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Registration Statement.

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Item 4. Description of Securities.

Common Stock

General. The Company is authorized to issue Thirty Million (30,000,000) shares of common stock, \$.01 par value per share (the "Common Stock"). The Common Stock is registered under Section 12 of the Exchange Act.

Voting Rights. Each share of the Common Stock has the same relative rights and is identical in all respects with every other share of Common Stock. The holders of the Common Stock possess exclusive voting rights in the Company, except to the extent that shares of serial preferred stock issued in the future have voting rights, if any. Each holder of the Common Stock is entitled to one vote for each share held of record on all matters submitted to a vote of holders of shares of the Common Stock.

Dividends. The Company may, from time to time, declare dividends to the holders of the Common Stock, who will be entitled to share equally in any such dividends. Under the Florida Business Corporation Act (the "FBCA"), the Company will not be allowed to pay dividends if, after giving effect to the dividend, the Company would not be able to pay its debts as they become due in the usual course of business, or the Company's total assets would be less than the sum of its total liabilities plus the amount that would be needed, if the Company were

to be dissolved at the time of the dividend, to satisfy the preferential rights upon dissolution of shareholders whose rights are superior to those receiving the distribution.

Liquidation. In the event of a liquidation, dissolution or winding up of the Company, each holder of shares of the Common Stock would be entitled to receive, after payment of all debts and liabilities of the Company, a pro rata portion of all assets of the Company available for distribution to holders of the Common Stock. If any serial preferred stock is issued, the holders thereof may have a priority in liquidation or dissolution over the holders of the Common Stock.

Other Characteristics. Holders of the Common Stock do not have preemptive rights with respect to any additional shares of the Common Stock which may be issued. The Common Stock is not subject to call for redemption, and the outstanding shares of the Common Stock, upon payment of the full purchase price therefor, are fully paid and nonassessable.

#### Preferred Stock

The Company is authorized to issue Three Million (3,000,000) shares of preferred stock, \$.01 par value per share. The Board of Directors of the Company is authorized to issue preferred stock and the fix and state voting powers, designations, preferences or other special rights of such shares and the qualifications, limitations, and restrictions thereof. The preferred stock may rank prior to the Common Stock as to dividend rights, liquidation preferences, or both, and may have full or limited voting rights.

#### Certain Anti-takeover Provisions in the Amended and Restated Articles of Incorporation and Bylaws

Authorization of Preferred Stock. The Company's Amended and Restated Articles of Incorporation authorize the issuance of up to Three Million (3,000,000) shares of preferred stock. The preferred stock could be issued by the Board, from time to time, without the necessity of further action or authorization by the Company's shareholders (unless required by applicable law), in one or more series and with such voting powers, designations, preferences and relative, participating, optional or other special rights and qualifications as the Board may, in its discretion, determine.

Board of Directors. The Amended and Restated Articles of Incorporation provide that the Board of Directors is divided into three classes, as nearly equal in number as possible, with each class being elected to office for three year terms. A classified Board of Directors upon which directors serve three (3) year terms requires at least two annual shareholder meetings in order to effect a change in the control of the Board.

The Amended and Restated Articles of Incorporation provide that directors of the Company may be removed from office by the shareholders only for cause and that such action may be taken only by the affirmative vote of at least two-thirds (66%) of the then-outstanding shares of stock entitled to vote generally in the election of directors. The Amended and Restated Articles of Incorporation further provide that any vacancy on the Board of Directors, however resulting (including vacancies created as a result of a resolution of the Board of Directors increasing the number of directors of the Company), may be filled by a majority of the directors then in office, even if less than a quorum or by a sole remaining director, and that such director shall hold office for the remainder of the term of the class to which he or she is elected.

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Limitations on Actions by Shareholders. The Amended and Restated Articles of Incorporation provide that special meetings of the shareholders of the Company may be called only by a majority of the total number of authorized directors of the Company or by the holders of not less than fifty percent (50%) of all the votes entitled to be cast on any issue at the proposed special meeting. In addition, shareholders are prohibited by the Amended and Restated Articles of Incorporation from taking action by a consent in writing. Therefore, all shareholder action must be taken at an annual or special meeting of shareholders.

Board Consideration of Certain Nonmonetary Factors in the Event of an Offer by Another Party. The Amended and Restated Articles of Incorporation provide that the Board of Directors shall consider all factors it deems relevant in evaluating a proposed share exchange, tender offer, merger, consolidation, or other similar transaction. This allows the Board of Directors to consider (i) the best interests of the shareholders and the Company; (ii) the social, legal and economic effects on employees, customers, depositors and communities served by the Company; (iii) the consideration offered in relation to the then current market value of the Company in a freely negotiated transaction; (iv) estimations of future value of the stock of the Company; and (v) any other factor deemed relevant by the Board of Directors.

Amendment of Amended and Restated Articles of Incorporation. The Amended and Restated Articles of Incorporation provide that specified provisions contained in the Articles may not be repealed or amended except upon the affirmative vote

of at least two-thirds of the then outstanding shares of the Common Stock entitled to vote, or by a majority of "disinterested directors" (as defined in the Articles) and then by a majority of the then outstanding shares of the Common Stock entitled to vote. The specific provisions are those (i) relating to the management of the Company and limiting shareholder action by consent without a meeting; (ii) relating to the number of directors, the filling of vacancies on the Board of Directors, and the removal of a director or directors from office; (iii) setting forth the requirements for shareholder nominations to the Board of Directors; (iv) regarding the consideration of certain nonmonetary factors in the event of an offer or takeover attempt by a third party; (v) providing for the indemnification of directors, officers, employees and agents of the Company; and (vi) governing the required shareholder vote for amendment of the Articles.

Procedures for Shareholder Nominations. The Amended and Restated Articles of Incorporation require that any shareholder nominations for the election of directors be delivered to the Company no less than one hundred twenty (120) nor more than one hundred eighty (180) days in advance of the date of the Company's notice of annual meeting provided with respect to the previous year's annual meeting. If no such meeting was held in the previous year or the date of an annual meeting has been changed to be more than thirty (30) calendar days earlier than the date contemplated by the previous year's proxy statement, such notice must be received no later than the tenth (10th) day following the earlier of (i) the date on which the notice of annual meeting is given to shareholders or (ii) the date on which such notice of the meeting is made public. The Articles also specify certain requirements for stockholder's notice to be in proper written form.

#### Applicability of Florida Business Corporation Act

The following discussion is a summary of two statutory shareholder protection provisions under the FBCA which apply to certain Florida corporations, including the Company. This summary is provided for informational purposes only. As such, this summary does not purport to be a complete discussion of, and is qualified in its entirety by reference to, the governing law and governing corporate documents of the Company.

Affiliated Transactions. Section 607.0901 of the FBCA provides a super-majority requirement for certain proposed transactions ("Section 607.0901") which applies to all Florida corporations unless a corporation expressly chooses to "opt out" of the applicability of such law or the corporation falls under one of the exemptions from the statute's application. Under the FBCA, any merger, share exchange, dissolution or sale of all or substantially all of the assets of a corporation other than in the usual and regular course of business must be approved by the affirmative vote of the holders of a majority of the shares of stock entitled to vote on the matter. As to the Company, Section 607.0901, as well as the current Amended and Restated Articles of Incorporation of the Company, require that, in addition to any vote required by the FBCA and subject to the exceptions described below, any "Affiliated Transaction" between the Company and any beneficial owner of 10% or more of the Company's voting shares, including shares held by any associate or affiliate of such a person (an "Interested Shareholder"), be approved by the affirmative vote of the holders of two-thirds (66 2/3%) of the voting shares of the Company's stock, excluding for such purposes any shares held by the Interested Shareholder. An "Affiliated Transaction" includes, among other transactions: (i) any merger or consolidation of the Company or any of its subsidiaries with an Interested Shareholder or an associate or affiliate of an Interested Shareholder, (ii) any sale, exchange or other disposition of assets of the Company to an Interested Shareholder or an associate or affiliate of an Interested Shareholder, having an aggregate market value of all of the outstanding shares of the Company, or representing 5% or more of the earning power or net income of the Company, and (iii) the issuance or transfer to the Interested Shareholder or an associate or affiliate of the Interested Shareholder, by the Company, of

the shares of the Company or any of its subsidiaries which have an aggregate market value equal to 5% or more of the aggregate market value of all of the outstanding shares of the Company.

However, the voting requirements of Section 607.0901 do not apply to an Affiliated Transaction if, among other things: (a) the Affiliated Transaction has been approved by a majority of the disinterested directors on the Company's board of directors, (b) the Interested Shareholder has been the beneficial owner of at least 80% of the Company's outstanding voting shares for at least five years, (c) certain fair price requirements have been met, or (d) the Company has not had more than 300 shareholders of record at any time during the three years preceding the date of the first general public announcement of a proposed Affiliated Transaction.

The Company is currently subject to Section 607.0901 under its present Amended and Restated Articles of Incorporation, and thus any Affiliated Transaction would be subject to a two-thirds (66 2/3%) vote of the holders of the outstanding shares of the Company entitled to vote, unless otherwise exempt.

Control Share Acquisitions. The control share acquisition provisions of the FBCA ("Section 607.0902") impose conditions and restrictions on "control share acquisitions" which provide that any "control shares" (shares which represent at least 20% of the outstanding stock of a Florida corporation) that are acquired in a "control share acquisition" have no voting rights except to the extent approved by the affirmative vote of a majority of all votes entitled to be cast on the matter, excluding all "interested shares," which are shares which may be voted directly or indirectly by the person proposing to make the "control share acquisition," by any officer of the corporation or by any employee who is also a director of the corporation. The application of Section 607.0902 to the Company by virtue of the FBCA would have the effect of limiting the voting power of any Company shareholder, even those who are not intent on soliciting a change in control of the Company, without first conferring with management upon such shareholder's acquisition of a threshold amount of the voting stock of the Company.

Item 5. Interests of Named Experts and Counsel.

None. Neither the named experts or counsel referenced below have an interest in the Registrant.

Item 6. Indemnification of Directors and Officers.

Section 607.0850 of the FBCA provides that a corporation may indemnify a director or officer of the corporation and purchase and maintain liability insurance for those persons as, and to the extent, permitted by Section 607.0850 of the FBCA. In addition, the Registrant's Amended and Restated Articles of Incorporation obligate the Registrant to indemnify its officers and directors for costs and expenses actually and reasonably incurred in connection with a legal proceeding, including amounts paid in settlement of such a proceeding, to the fullest extent permitted by the FBCA.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers or persons controlling the Registrant, the Registrant has been informed that in the opinion of the Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is therefore unenforceable.

Item 7. Exemption from Registration Claimed.

Not applicable.

Item 8. Exhibits.

5. Opinion of Gunster, Yoakley, Valdes-Fauli & Stewart, P.A. regarding the legality of the securities being offered hereby.

10. 1996 Associate Incentive Plan

23.1 Consent of Arthur Andersen LLP

23.2 Consent of Hacker, Johnson, Cohen & Grieb

23.3 Consent of Gunster, Yoakley, Valdes-Fauli & Stewart, P.A. (contained in Exhibit 5).

Item 9. Undertakings.

The undersigned hereby undertakes:

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(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;

(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 (1)(i) and (1)(ii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed by the Registrant pursuant to Section 13 or section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the Registration Statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, 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 Plan.

(4) That, for purposes of determining any liability under the Securities Act of 1933, each filing of the Registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 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.

(5) To deliver or cause to be delivered with the prospectus, to each person to whom the prospectus is sent or given, the latest annual report to security holders that is incorporated by reference in the prospectus and furnished pursuant to and meeting the requirements of Rule 14a-3 or Rule 14c-3 under the Securities Exchange Act of 1934; and, where interim financial information required to be presented by Article 3 of Regulation S-X are not set forth in the prospectus, to deliver, or cause to be delivered to each person to whom the prospectus is sent or given, the latest quarterly report that is specifically incorporated by reference in the prospectus to provide such interim financial information.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 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 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 Act and will be governed by the final adjudication of such issue.

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#### SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe it meets all 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 Tallahassee, State of Florida, on the 20th day of December, 1996.

Capital City Bank Group, Inc.

By: /s/ William G. Smith, Jr.

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William G. Smith, Jr., President and Director  
(Principal Executive Officer)

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed below by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ DuBose Ausley ----- DuBose Ausley	Chairman of the Board	December 20, 1996
/s/ Thomas A. Barron ----- Thomas A. Barron	Director	December 20, 1996
/s/ Cader B. Cox, III ----- Cader B. Cox, III	Director	December 20, 1996
/s/ John K. Humphress -----	Director	December 20, 1996

John K. Humphress

/s/ Payne H. Midyette                      Director                      December 20, 1996

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Payne H. Midyette, Jr.

/s/ Godfrey Smith                      Director                      December 20, 1996

-----  
Godfrey Smith

/s/ William G. Smith, Jr.                      Director                      December 20, 1996

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William G. Smith, Jr.

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EXHIBIT INDEX

Exhibit Number -----	Description of Exhibit -----
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EXHIBIT 5

11221.9000

(407) 650-0539

December 20, 1996

Board of Directors  
Capital City Bank Group, Inc.  
217 N. Monroe Street  
Tallahassee, FL 32301

Re: Capital City Bank Group, Inc.  
1996 Associate Incentive Plan -  
Registration Statement on Form S-8,  
250,000 Shares of Common Stock

Ladies and Gentlemen:

We have acted as legal counsel for Capital City Bank Group, Inc. (the "Company"), a corporation organized under the laws of the State of Florida, with respect to the Company's Form S-8 Registration Statement (the "Registration Statement") to be filed by the Company with the Securities and Exchange Commission on or about December 23, 1996 in connection with the registration under the Securities Act of 1933, as amended, by the Company of an aggregate of up to 250,000 shares of Common Stock, par value \$.01 per share (the "Common Stock"), issuable upon issuance of stock under the Capital City Bank Group, Inc. 1996 Associate Incentive Plan, effective as of January 1, 1996 (the "Plan").

As legal counsel for the Company, we have examined the corporate proceedings relating to the Plan and such other legal matters as we deemed appropriate for the purposes of rendering this opinion.

We have assumed the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as certified or photostatic copies, and the authenticity of the originals of such copies. We have assumed that all signatories were and are legally competent to execute and deliver the documents executed by each of them.

Based upon and subject to the foregoing, and in reliance thereon, and subject to the qualifications hereinafter expressed, we are of the opinion that the shares of Common Stock to be issued under the Plan have been duly and validly authorized for issuance and, when issued in accordance with the terms of the Plan, will be validly issued, fully paid, and nonassessable.

We are members of the Bar of the State of Florida and do not herein express any opinion as to matters governed by the laws of any jurisdiction other than the internal laws of the State of Florida (without reference to the choice-of-law or conflict-of-law provisions, principles or decisions under Florida law, or under any other state, federal or foreign law); and we have assumed compliance with all other laws, including, without limitation, Federal, foreign and other states' laws.

Our opinions are limited to the specific issues addressed and are limited in all respects to laws and facts existing on the date hereof. By rendering our opinion letter, we do not undertake to advise you of any changes in such laws or facts which may occur or come to our attention after the date hereof.

Page 2  
December 20, 1996  
Board of Directors

We hereby consent to the inclusion of this opinion letter as part of the Registration Statement. The foregoing opinions are furnished to you at your request, are solely for your benefit and may not be relied upon by any other party without the prior written consent of a shareholder of this law firm.

Very truly yours,

/s/ Gunster, Yoakley, Valdes-Fauli  
& Stewart, P.A.

-----  
GUNSTER, YOAKLEY, VALDES-FAULI  
& STEWART, P.A.

EXHIBIT 10

CAPITAL CITY BANK GROUP, INC.  
1996 ASSOCIATE INCENTIVE PLAN

1. Purpose. The purpose of the 1996 Associate Incentive Plan

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("Plan") of Capital City Bank Group, Inc. ("Company") is to provide a means through which the Company and its Subsidiaries may attract able persons to enter and remain in the employ or other service of the Company and its Subsidiaries, and to provide a means whereby those key persons upon whom the responsibilities of the successful administration and management of the Company rest, and whose present and potential contributions to the welfare of the Company are of importance, can acquire and maintain stock ownership, thereby strengthening their commitment to the welfare of the Company and promoting an identity of interest between shareholders and these key persons.

A further purpose of the Plan is to provide such key persons with additional incentive and reward opportunities designed to enhance the profitable growth of the Company. The Plan provides for granting Incentive Stock Options, Non-Qualified Stock Options, Stock Appreciation Rights, Restricted Stock Awards, Phantom Stock Unit Awards and Performance Share Units, or any combination of the foregoing.

2. Definitions. The following definitions shall be applicable

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throughout the Plan.

(a) "Appreciation Date" shall mean the date designated by a Holder of Stock Appreciation Rights for measurement of the appreciation in the value of rights awarded to him, which date shall be the date notice of such designation is received by the Board, or its designee.

(b) "Award" shall mean, individually or collectively, any Incentive Stock Option, Non-Qualified Stock Option, Stock Appreciation Right, Restricted Stock Award, Phantom Stock Unit Award or Performance Share Unit Award.

(c) "Award Period" shall mean a period of time within which performance is measured for the purpose of determining whether an award of Performance Share Units has been earned.

(d) "Board" shall mean the Board of Directors of the Company.

(e) "Cause" shall mean the Company or a Subsidiary having cause to terminate a Participant's employment under any existing employment agreement between the Participant and the Company or a Subsidiary or, in the absence of such an employment agreement, upon (i) the determination by the Board that the Participant has failed to perform his duties to the Company or a Subsidiary (other than as a result of his incapacity due to physical or mental illness or injury), which failure amounts to an intentional and extended neglect of his duties to such party, (ii) the Board's determination that the Participant has engaged or is about to engage in conduct materially injurious to the Company or a Subsidiary, or (iii) the Participant having been convicted of a felony.

(f) "Change in Control" shall, unless the Board otherwise directs by resolution adopted prior thereto, be deemed to occur if (i) any "person" (as that term is used in Sections 13 and 14(d)(2) of the Securities and Exchange Act of 1934 ("Exchange Act")) is or becomes the beneficial owner (as that term is used in Section 13(d) of the Exchange Act), directly or indirectly, of twenty-five percent (25%) or more of the voting stock; or (ii) during any period of

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two consecutive years, individuals who at the beginning of such period constitute the Board cease for any reason to constitute at least a majority thereof, unless the election or the nomination for election by the Company's shareholders of each new director was approved by a vote of at least three-quarters of the directors then still in office who were directors at the beginning of the period. Any merger, consolidation or corporate reorganization in which the owners of the Company's capital stock entitled to vote in the election of directors ("Voting Stock") prior to said combination, own fifty percent (50%) or more of the resulting entity's voting stock shall not, by itself, be considered a Change in Control.

(g) "Code" shall mean the Internal Revenue Code of 1986, as amended. Reference in the Plan to any section of the Code shall be deemed to include any amendments or successor provisions to such section and any regulations under such section.

(h) "Common Stock" shall mean the Common Stock of the Company, one penny (\$0.01) par value per share.

(i) "Company" shall mean Capital City Bank Group, Inc., a Florida corporation.

(j) "Date of Grant" shall mean the date on which the granting of an Award is authorized or such other date as may be specified in such authorization.

(k) "Disability" shall mean the complete and permanent inability by reason of illness or accident to perform the duties of the occupation at which a Participant was employed when such disability commenced or, if the Participant was retired when such disability commenced, the inability to engage in any substantial gainful activity, as determined by the Board based upon medical evidence acceptable to it.

(l) "Eligible Associate" shall mean any person regularly employed by the Company or a Subsidiary on a full-time salaried basis who satisfies all of the requirements of Section 6.

(m) "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

(n) "Fair Market Value" shall mean the average of (i) the high and low prices of the shares of Common Stock on the principal national securities exchange on which the Common Stock is traded for the ten (10) trading days immediately preceding the date of determination, if the Common Stock is then traded on a national securities exchange; or (ii) the last reported sale prices of the shares of Common Stock on the NASDAQ National Market List for the ten (10) trading days immediately preceding the date of determination, if the Common Stock is not then traded on a national securities exchange; or (iii) the closing bid prices last quoted by an established quotation service for over-the-counter securities for the ten (10) trading days immediately preceding the date of determination, if the Common Stock is not reported on the NASDAQ National Market List. However, if the Common Stock is not publicly-traded at the time an option is granted under the Plan, "Fair Market Value" shall be deemed to be the fair value of the Common Stock as determined by the Board after taking into consideration all factors which it deems appropriate, including, without limitation, recent sale and offer prices of the Common Stock in private transactions negotiated at arm's length.

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(o) "Holder" shall mean a Participant who has been granted an Option, a Stock Appreciation Right, a Restricted Stock Award, Phantom Stock Unit Award or a Performance Share Unit Award.

(p) "Incentive Stock Option" shall mean an Option granted by the Board to a Participant under the Plan which is designated by the Board as an Incentive Stock Option pursuant to Section 422 of the Code.

(q) "Non-Qualified Stock Option" shall mean an Option granted by the Board to a Participant under the Plan which is not designated by the Board as an Incentive Stock Option.

(r) "Normal Termination" shall mean termination:

- (i) With respect to the Company or a Subsidiary, at retirement (excluding early retirement) pursuant to the Company retirement plan then in effect;
- (ii) On account of Disability;
- (iii) With the written approval of the Board; or
- (iv) By the Company or a Subsidiary without cause.

(s) "Option" shall mean an Award granted under Section 7 of the Plan.

(t) "Option Period" shall mean the period described in Section 7(c).

(u) "Participant" shall mean a person who has been selected to participate in the Plan and to receive an Award pursuant to Section 6. Participants are limited to Eligible Associates or a director of a Subsidiary who is not otherwise a participant in the Company's 1996 Director Stock Purchase Plan.

(v) "Performance Goals" shall mean the performance objectives of the Company during an Award Period or Restricted Period established for the purpose of determining whether, and to what extent, Awards will be earned for an Award Period or Restricted Period.

(w) "Performance Share Unit" shall mean a hypothetical investment equivalent equal to one share of Stock granted in connection with an Award made under Section 9 of the Plan.

(x) "Phantom Stock Unit" shall mean a hypothetical investment

equivalent equal to one Share of Stock granted in connection with an Award made under Section 10 of the Plan,

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or credited with respect to Awards of Performance Share Units which have been deferred under Section 9.

(y) "Plan" shall mean the 1996 Associate Incentive Plan of Capital City Bank Group, Inc.

(z) "Restricted Period" shall mean, with respect to any share of Restricted Stock, the period of time determined by the Board during which such share of Restricted Stock is subject to the restrictions set forth in Section 10.

(aa) "Restricted Stock" shall mean shares of Common Stock issued or transferred to a Participant subject to the restrictions set forth in Section 10 and any new, additional or different securities a Participant may become entitled to receive as a result of adjustments made pursuant to Section 12.

(bb) "Restricted Stock Award" shall mean an Award granted under Section 10 of the Plan.

(cc) "Securities Act" shall mean the Securities Act of 1933, as amended.

(dd) "Stock" shall mean the Common Stock or such other authorized shares of stock of the Company as the Board may from time to time authorize for use under the Plan.

(ee) "Stock Appreciation Right" or "SAR" shall mean an Award granted under Section 8 of the Plan.

(ff) "Subsidiary" shall mean any corporation which is a "subsidiary corporation" of the Company within the meaning of Section 424(f) of the Code.

(gg) "Valuation Date" shall mean the last day of an Award Period or the date of death of a Participant, as applicable.

3. Effective Date, Duration and Shareholder Approval. Subject to the ----- approval of this Plan by the shareholders of the Company at a duly convened meeting of shareholders, the Plan shall become effective on the date of approval by the Board, and no further Awards may be made after December 31, 2005.

The Plan shall continue in effect until all matters relating to the payment of Awards and administration of the Plan have been settled.

4. Administration. The Board shall administer the Plan. The Board ----- shall consist of at least two (2) members. A majority of the members of the Board shall constitute a quorum. The acts of a majority of the members present at any meeting at which a quorum is present or acts

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approved in writing by a majority of the Board shall be deemed the acts of the Board. Subject to the provisions of the Plan, the Board shall have exclusive power to:

- (a) Select the persons to be Participants in the Plan;
- (b) Determine the nature and extent of the Awards to be made to each Participant;
- (c) Determine the time or times when Awards will be made;
- (d) Determine the duration of each Award Period;
- (e) Determine the conditions to which the payment of Awards may be subject;
- (f) Establish the Performance Goals for each Award Period;
- (g) Prescribe the form or forms evidencing Awards; and
- (h) Cause records to be established in which there shall be entered, from time to time as Awards are made to Participants, the date of each Award, the number of Incentive Stock Options, Non-Qualified Stock Options, SARs, Phantom Stock Units, Performance Share Units and Shares of Restricted Stock awarded by the Board to each Participant, the expiration date, the Award Period and the duration of any applicable Restricted Period.

The Board shall have the authority, subject to the provisions of the

Plan, to establish, adopt, or revise such rules and regulations and to make all such determinations relating to the Plan as it may deem necessary or advisable for the administration of the Plan. The Board's interpretation of the Plan or any Awards granted pursuant thereto and all decisions and determinations by the Board with respect to the Plan shall be final, binding, and conclusive on all parties unless otherwise determined by the Board.

5. Grant of Options, Stock Appreciation Rights, Restricted Stock

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Awards, Phantom Stock Awards and Performance Share Units; Shares Subject to the  
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Plan. The Board may, from time to time, grant Awards of Options, Stock  
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Appreciation Rights, Restricted Stock, Phantom Stock Units and/or Performance  
Share Units to one or more Participants; provided, however, that:

(a) Subject to Section 12, the aggregate number of shares of Stock made subject to Awards may not exceed two hundred fifty thousand (250,000);

(b) Such shares shall be deemed to have been used in payment of Awards whether they are actually delivered or the Fair Market Value equivalent of such shares is paid in cash. In the event any Option, SAR not attached to an Option, Restricted Stock, Phantom Stock Unit

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or Performance Share Unit shall be surrendered, terminate, expire, or be forfeited, the number of shares of Stock no longer subject thereto shall thereupon be released and shall thereafter be available for new Awards under the Plan to the fullest extent permitted by the Exchange Act (if applicable at the time); and

(c) Stock delivered by the Company in settlement of Awards under the Plan may be authorized and unissued Stock or Stock held in the treasury of the Company or may be purchased on the open market or by private purchase at prices no higher than the Fair Market Value at the time of purchase.

6. Eligibility. Participants shall be limited to officers and employees

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of the Company and its Subsidiaries and to directors of Subsidiaries who are not participants in the Company's 1996 Director Stock Purchase Plan, in each case who have received written notification from the Board or from a person designated by the Board that they have been selected to participate in the Plan.

7. Stock Options. One or more Incentive Stock Options or Non-Qualified

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Stock Options can be granted to any Participant; provided, however, that Incentive Stock Options may be granted only to Eligible Associates. Each Option so granted shall be subject to the following conditions .

(a) Option price. The option price ("Option Price") per share of Stock shall be set by the Board at the time of grant but shall not be less than (i) in the case of an Incentive Stock Option, the Fair Market Value of a share of Stock at the Date of Grant, and (ii) in the case of a Non-Qualified Stock Option, the par value per share of Stock.

(b) Manner of exercise and form of payment. Options which have become exercisable may be exercised by delivery of written notice of exercise to the Board accompanied by payment of the Option Price. The Option Price shall be payable in cash and/or shares of Stock valued at the Fair Market Value at the time the Option is exercised, or, in the discretion of the Board, either (i) in other property having a Fair Market Value on the date of exercise equal to the Option Price, or (ii) by delivering to the Company a copy of irrevocable instructions to a stockbroker to deliver promptly to the Company an amount of sale or loan proceeds sufficient to pay the Option Price.

(c) Other terms and conditions. If the Holder has not died or his relationship as an officer, employee or director with the Company or a Subsidiary has not terminated, the Option shall become exercisable in such manner and within such period or periods ("Option Period"), not to exceed ten (10) years from its Date of Grant, as set forth in the Stock Option Agreement to be entered into in connection therewith.

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(i) Each Option shall lapse in the following situations:

- Ten (10) years after it is granted;
- Three (3) months after Normal Termination, except as otherwise provided by the Board, or
- Any earlier time set forth in the Stock Option Agreement.

- (ii) If the Holder terminates his relationship as an officer, employee or director with the Company or a Subsidiary otherwise than by Normal Termination or death, the Option shall lapse at the time of termination.
- (iii) If the Holder dies within the Option Period or within three (3) months after Normal Termination (or such other period as may have been established by the Board), the Option shall lapse unless it is exercised within the Option Period and in no event later than twelve (12) months after the date of Holder's death by the Holder's legal representative or representatives or by the person or persons entitled to do so under the Holder's last will and testament or, if the Holder shall fail to make testamentary disposition of such Option or shall die intestate, by the person entitled to receive said Option under the applicable laws of descent and distribution.

(d) Stock Option Agreement. Each Option granted under the Plan shall be evidenced by a "Stock Option Agreement" between the Company and the Holder of the Option containing such provisions as may be determined by the Board, but shall be subject to the following terms and conditions.

- (i) Each Option or portion thereof that is exercisable shall be exercisable for the full amount or for any part thereof, except as otherwise determined by the terms of the Stock Option Agreement.
- (ii) Each share of Stock purchased through the exercise of an Option shall be paid for in full at the time of the exercise. Each Option shall cease to be exercisable, as

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to any share of Stock, when the Holder purchases the share or exercises a related SAR or when the Option lapses.

- (iii) Options shall not be transferable by the Holder except by will or the laws of descent and distribution and shall be exercisable during the Holder's lifetime only by him or her.
- (iv) Each Option shall become exercisable by the Holder in accordance with the vesting schedule (if any) established by the Board for the Award.
- (v) Each Stock Option Agreement may contain an agreement that, upon demand by the Board for such a representation, the Holder shall deliver to the Board at the time of any exercise of an Option a written representation that the shares to be acquired upon such exercise are to be acquired for investment and not for resale or with a view to the distribution thereof. Upon such demand, delivery of such representation prior to the delivery of any shares issued upon exercise of an Option shall be a condition precedent to the right of the Holder or such other person to purchase any shares. In the event certificates for Stock are delivered under the Plan with respect to which such investment representation has been obtained, the Board may cause a legend or legends to be placed on such certificates to make appropriate reference to such representation and to restrict transfer in the absence of compliance with applicable federal or state securities laws.

(e) Grants to 10% Holders of Company Voting Stock. Notwithstanding Section 7(a), if an Incentive Stock Option is granted to a Holder who owns stock representing more than ten percent (10%) of the voting power of all classes of stock of the Company or of the Company and its Subsidiaries, the period specified in the Stock Option Agreement for which the Option thereunder is granted and at the end of which such Option shall expire shall not exceed five (5) years from the Date of Grant of such Option and the Option Price shall be at least one hundred ten percent (110%) of the Fair Market Value (on the Date of Grant) of the Stock subject to the Option.

(f) Limitation. To the extent the aggregate Fair Market Value (as determined as of the Date of Grant) of Stock for which Incentive Stock Options are exercisable for the first time by any Participant during any calendar year (under all plans of the Company and its

Subsidiaries) exceeds One Hundred Thousand Dollars (\$100,000), such excess Incentive Stock Options shall be treated as Non-Qualified Stock Options.

(g) Voluntary Surrender. The Board may permit the voluntary surrender of all or any portion of any Non-Qualified Stock Option and its corresponding SAR, if any, granted under the Plan to be conditioned upon the granting to the Holder of a new Option for the same or a different number of shares as the Option surrendered or require such voluntary surrender as a condition precedent to a grant of a new Option to such Participant. Such new Option shall be exercisable at the Option Price, during the exercise period, and in accordance with any other terms or conditions specified by the Board at the time the new Option is granted, all determined in accordance with the provisions of the Plan without regard to the Option Price, exercise period, or any other terms and conditions of the Non-Qualified Stock Option surrendered.

(h) Order of Exercise. Options granted under the Plan may be exercised in any order, regardless of the Date of Grant or the existence of any other outstanding Option.

(i) Notice of Disposition. Participants shall give prompt notice to the Company of any disposition of Stock acquired upon exercise of an Incentive Stock Option if such disposition occurs within either two (2) years after the Date of Grant of such Option and/or one (1) year after the receipt of such Stock by the Holder.

8. Stock Appreciation Rights. Any Option granted under the Plan may

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include an SAR, either at the time of grant or by amendment except that in the case of an Incentive Stock Option, such SAR shall be granted only at the time of grant of the related Option. The Board may also award to Participants SARs independent of any Option. An SAR shall be subject to such terms and conditions not inconsistent with the Plan as the Board shall impose, including, but not limited to, the following:

(a) Vesting. An SAR granted in connection with an Option shall become exercisable, be transferable and shall lapse according to the same vesting schedule, transferability and lapse rules that are established by the Board for the Option. An SAR granted independent of an Option shall become exercisable, be transferable and shall lapse in accordance with a vesting schedule, transferability and lapse rules established by the Board.

(b) Failure to Exercise. If on the last day of the Option Period (or in the case of an SAR independent of an Option, the SAR period established by the Board), the Fair Market value of the Stock exceeds the Option Price, the Holder has not exercised the Option or SAR, and neither the Option nor the SAR has lapsed, such SAR shall be deemed to have been exercised by the Holder on such last day and the Company shall make the appropriate payment therefor.

(c) Payment. The amount of additional compensation which may be received pursuant to the award of one SAR is the excess, if any, of the Fair Market Value of one share of Stock on the Appreciation Date over the Option Price, in the case of an SAR granted in

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connection with an Option, or the Fair Market Value of one (1) share of Stock on the Date of Grant, in the case of an SAR granted independent of an Option. The Company shall pay such excess in cash, in shares of Stock valued at Fair Market Value, or any combination thereof, as determined by the Board. Fractional shares shall be settled in cash.

(d) Designation of Appreciation Date. A Participant may designate an Appreciation Date at such time or times as may be determined by the Board at the time of grant by filing an irrevocable written notice with the Board or its designee, specifying the number of SARs to which the Appreciation Date relates, and the date on which such SARs were awarded. Such time or times determined by the Board may take into account any applicable "window periods" required by Rule 16b-3 under the Exchange Act.

(e) Expiration. Except as otherwise provided in the case of SARs granted in connection with Options, the SARs shall expire on a date designated by the Board which is not later than ten (10) years after the date on which the SAR was awarded.

9. Performance Shares,  
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(a) Award Grants. The Board is authorized to establish Performance Share programs to be effective over designated Award Periods of not less than one (1) year nor more than five (5) years. At the beginning of each Award Period, the Board will establish in writing Performance Goals based upon financial or other objectives for the Company for such Award Period and a schedule relating the accomplishment of the Performance Goals to the Awards to be earned by Participants. Performance Goals may include absolute or relative

growth in earnings per share or rate of return on shareholders' equity or other measurement of corporate performance and may be determined on an individual basis or by categories of Participants. The Board may adjust Performance Goals or performance measurement standards as it deems equitable in recognition of extraordinary or non-recurring events experienced during an Award Period by the Company, a Subsidiary or by any other corporation whose performance is relevant to the determination of whether Performance Goals have been attained. The Board shall determine the number of Performance Share Units to be awarded, if any, to each Participant who is selected to receive an Award. The Board may add new Participants to a Performance Share program after its commencement by making pro rata grants.

(b) Determination of Award. At the completion of a Performance Share program, or at other times as specified by the Board, the Board shall calculate the amount earned with respect to each Participant's award by multiplying the Fair Market Value on the Valuation Date by the number of Performance Share Units granted to the Participant and multiplying the amount so determined by a performance factor representing the degree of attainment of the Performance Goals.

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(c) Partial Awards. A Participant for less than a full Award Period, whether by reason of commencement or termination of employment or otherwise, shall receive such portion of an Award, if any, for that Award Period as the Board shall determine.

(d) Payment of Non-deferred Awards. The amount earned with respect to an Award shall be fully payable in shares of Stock based on the Fair Market Value on the Valuation Date; provided, however, that, at its discretion, the Board may vary such form of payment as to any Participant upon the specific request of such Participant. Except as provided in subparagraph 9(e), payments of Awards shall be made as soon as practicable after the completion of an Award Period.

(e) Deferral of Payment. A Participant may file a written election with the Board to defer the payment of any amount otherwise payable pursuant to subparagraph 9(d) on account of an Award to a period commencing at such future date as specified in the election. Such election must be filed with the Board no later than the last day of the month which is two-thirds of the way through the Award Period during which the Award is earned, unless the Board specifies an earlier filing date.

(f) Separate Accounts. At the conclusion of each Award Period, the Board shall cause a separate account to be maintained in the name of each Participant with respect to whom all or a portion of an Award of Performance Share Units earned under the Plan has been deferred. All amounts credited to such account shall be fully vested at all times.

(g) Election of Form of Investment. Within sixty (60) days from the end of each Award Period, and at such time or times, if any, as the Board may permit, a Participant may file a written election with the Board of the percentage of the deferred portion of any Award of Performance Share Units which is to be expressed in the form of dollars and credited with interest, the percentage of such Award which is to be expressed in the form of Phantom Stock Units and the percentage of such Award which is to be deemed invested in any other hypothetical investment equivalent from time to time made available under the Plan by the Board. In the event a Participant fails to file an election within the time prescribed, one hundred percent (100%) of the deferred portion of such Participant's Award shall be expressed in the form of Phantom Stock Units.

(h) Interest Portion. The amount of interest credited with respect to the portion of an Award credited to the Participant's account which is deferred and credited with interest (the "Interest Portion") shall be equal to the amount such portion would have earned had it been credited with interest from the last day of the Award Period with respect to which the Award was made until the seventh (7th) business day preceding the date as of which payment is made, compounded annually, at the Company's rate of return on shareholders' equity for each fiscal year that payment is deferred, or at such other rate as the Board may from time to time determine. The Board may, in its sole discretion, credit interest on amounts payable prior to the date on which the Company's rate of return on shareholders' equity becomes ascertainable at the rate applicable to deferred amounts during the year immediately preceding the year of payment.

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(i) Phantom Stock Unit Portion. With respect to the portion of an Award credited to the Participant's account which is deferred and expressed in the form of Phantom Stock Units (the "Phantom Stock Unit Portion"), the number of Phantom Stock Units so credited shall be equal to the result of dividing (i) the Phantom Stock Unit Portion by (ii) the Fair Market Value on the date the Award Period ended.

(j) Dividend Equivalents. Within thirty (30) days from the payment of a dividend by the Company on its Stock, the Phantom Stock Unit Portion of each Participant's account shall be credited with additional Phantom Stock Units the number of which shall be determined by (i) multiplying the dividend per share paid on the Company's Stock by the number of Phantom Stock Units credited to his account at the time such dividend was declared, then (ii) dividing such amount by the Fair Market Value on the payment date for such dividend.

(k) Payment of Deferred Awards. Payment with respect to amounts credited to the account of a Participant shall be made in a series of annual installments over a period of ten (10) years, or such other period as the Board may direct, or as the Board may allow the Participant to elect, in either case at the time of the original deferral election. Except as otherwise provided by the Board, each installment shall be withdrawn proportionately from the Interest Portion and from the Phantom Stock Unit Portion of a Participant's account based on the percentage of the Participant's account which he originally elected to be credited with interest and with Phantom Stock Units, or, if a later election has been permitted by the Board and is then in effect, based on the percentage specified in such later election. Payments shall commence on the date specified by the Participant in his deferral election, unless the Board in its sole discretion determines that payment shall be made over a shorter period or in more frequent installments, or commence on an earlier date, or any or all of the above. If a Participant dies prior to the date on which payment with respect to all amounts credited to his account shall have been completed, payment with respect to such amounts shall be made to the Participant's beneficiary in a series of annual installments over a period of five (5) years, unless the Board in its sole discretion determines that payment shall be made over a shorter period or in more frequent installments, or both. To the extent practicable, each installment payable hereunder shall approximate that part of the amount then credited to the Participant's or beneficiary's account which, if multiplied by the number of installments remaining to be paid would be equal to the entire amount then credited to the Participant's account.

(l) Composition of Payment. The Board shall cause all payments with respect to deferred Awards to be made in a manner such that not more than one-half of the value of each installment shall consist of Stock. To that end, payment with respect to the Interest Portion and the Phantom Stock Unit Portion of a Participant's account shall be paid in cash and Stock as the Board shall determine in its sole discretion. The determination of any amount to be paid in cash for Phantom Stock Units shall be made by multiplying (i) the Fair Market Value of one share of Stock on the date as of which payment is made, by (ii) the number of Phantom Stock Units for which payment is being made. The determination of the number of shares of Stock, if any, to be distributed with respect to the Interest Portion of a Participant's account shall be made by dividing (i) one-half

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of the value of such portion on the date as of which payment is made, by (ii) the Fair Market Value of one (1) share of Stock on such date. Fractional shares shall be paid in cash.

(m) Alternative Investment Equivalents. If the Board shall have permitted Participants to elect to have deferred Awards of Performance Share Units invested in one or more hypothetical investment equivalents other than interest or Phantom Stock Units, such deferred Awards shall be credited with hypothetical investment earnings at such rate, manner and time as the Board shall determine. At the end of the deferral period, payment shall be made in respect of such hypothetical investment equivalents in such manner and at such time as the Board shall determine.

(n) Adjustment of Performance Goals. The Board may, during the Award Period, make such adjustments to Performance Goals as it may deem appropriate, to compensate for, or reflect, any significant changes that may have occurred during such Award Period in (i) applicable accounting rules or principles or changes in the Company's method of accounting or in that of any other corporation whose performance is relevant to the determination of whether an Award has been earned or (ii) tax laws or other laws or regulations that alter or affect the computation of the measures of Performance Goals used for the calculation of Awards.

#### 10. Restricted Stock Awards and Phantom Stock Units.

##### (a) Award of Restricted Stock and Phantom Stock Units.

(i) The Board shall have the authority (1) to grant Restricted Stock and Phantom Stock Unit Awards, (2) to issue or transfer Restricted Stock to Participants, and (3) to establish terms, conditions and restrictions applicable to such Restricted Stock and Phantom Stock Units, including the Restricted Period, which may differ with respect to each grantee, the time or times at which Restricted Stock

or Phantom Stock Units shall be granted or become vested and the number of shares or units to be covered by each grant.

- (ii) The Holder of a Restricted Stock Award shall execute and deliver to the Secretary of the Company an agreement with respect to Restricted Stock and escrow agreement satisfactory to the Board and the appropriate blank stock powers with respect to the Restricted Stock covered by such agreements and shall pay to the Company, as the purchase price of the shares of Stock subject to such Award, the aggregate par value of such shares of Stock within sixty (60) days following the making of such Award. If a Participant shall fail to

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execute the agreement, escrow agreement and stock powers or shall fail to pay such purchase price within such period, the Award shall be null and void. Subject to the restrictions set forth in Section 10(b), the Holder shall generally have the rights and privileges of a shareholder as to such Restricted Stock, including the right to vote such Restricted Stock. At the discretion of the Board, cash and stock dividends with respect to the Restricted Stock may be either currently paid or withheld by the Company for the Holder's account, and interest may be paid on the amount of cash dividends withheld at a rate and subject to such terms as determined by the Board. Cash or stock dividends so withheld by the Board shall not be subject to forfeiture.

- (iii) In the case of a Restricted Stock Award, the Board shall then cause stock certificates registered in the name of the Holder to be issued and deposited together with the stock powers with an escrow agent to be designated by the Board. The Board shall cause the escrow agent to issue to the Holder a receipt evidencing any stock certificate held by it registered in the name of the Holder.
- (iv) In the case of a Phantom Stock Units Award, no shares of Stock shall be issued at the time the Award is made, and the Company will not be required to set aside a fund for the payment of any such Award. The Board shall, in its sole discretion, determine whether to credit to the account of, or to currently pay to, each Holder of an Award of Phantom Stock Units an amount equal to the cash dividends paid by the Company upon one share of Stock for each Phantom Stock Unit then credited to such Holder's account ("Dividend Equivalents"). Dividend Equivalents credited to Holder's account shall be subject to forfeiture and may bear interest at a rate and subject to such terms as determined by the Board.

(b) Restrictions.

- (i) Restricted Stock awarded to a Participant shall be subject to the following restrictions until the expiration

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of the Restricted Period: (1) the Holder shall not be entitled to delivery of the stock certificate; (2) the shares shall be subject to the restrictions on transferability set forth in the grant; (3) the shares shall be subject to forfeiture to the extent provided in subparagraph (d) and, to the extent such shares are forfeited, the stock certificates shall be returned to the Company, and all rights of the Holder to such shares and as a shareholder shall terminate without further obligation on the part of the Company.

- (ii) Phantom Stock Units awarded to any Participant shall be subject to the following restrictions until the expiration of the Restricted Period: (1) the units shall be subject to forfeiture to the extent provided in subparagraph (d), and to the extent such units are forfeited, all rights of the Holder to such units

shall terminate without further obligation on the part of the Company and (2) any other restrictions which the Board may determine in advance are necessary or appropriate.

- (iii) The Board shall have the authority to remove any or all of the restrictions on the Restricted Stock and Phantom Stock Units whenever it may determine that, by reason of changes in applicable laws or other changes in circumstances arising after the date of the Restricted Stock Award or Phantom Stock Award, such action is appropriate.

(c) Restricted Period. The Restricted Period of Restricted Stock and Phantom Stock Units shall commence on the Date of Grant and shall expire from time to time as to that part of the Restricted Stock and Phantom Stock Units indicated in a schedule established by the Board with respect to the Award.

(d) Forfeiture Provisions. In the event a Holder terminates employment or service as a director during a Restricted Period, that portion of the Award with respect to which restrictions have not expired ("Non-Vested Portion") shall be treated as follows.

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- (i) Resignation or discharge:
  - The Non-Vested Portion of the Award shall be completely forfeited.
- (ii) Normal Termination:
  - The Non-Vested Portion of the Award shall be prorated for service during the Restricted Period and shall be received as soon as practicable following termination.
- (iii) Death:
  - The Non-Vested Portion of the Award shall be prorated for service during the Restricted Period and paid to the Participant's beneficiary as soon as practicable following death.

(e) Delivery of Restricted Stock and Settlement of Phantom Stock Units. Upon the expiration of the Restricted Period with respect to any shares of Stock covered by a Restricted Stock Award, a stock certificate evidencing the shares of Restricted Stock which have not then been forfeited and with respect to which the Restricted Period has expired (to the nearest full share) shall be delivered without charge to the Holder, or his beneficiary, free of all restrictions under the Plan.

Upon the expiration of the Restricted Period with respect to any Phantom Stock Units covered by a Phantom Stock Unit Award, the Company shall deliver to the Holder or his beneficiary without any charge one share of Stock for each Phantom Stock Unit which has not then been forfeited and with respect to which the Restricted Period has expired ("vested unit") and cash equal to any Dividend Equivalents credited with respect to each such vested unit and the interest thereon, if any; provided, however, that the Board may, in its sole discretion, elect to pay cash or part cash and part Stock in lieu of delivering only Stock for vested units. If cash payment is made in lieu of delivering Stock, the amount of such payment shall be equal to the Fair Market Value for the date on which the Restricted Period lapsed with respect to such vested unit.

(f) Payment for Restricted Stock. Except as provided in subparagraph 10(a)(ii), a Holder shall not be required to make any payment for Stock received pursuant to a Restricted Stock Award.

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## 11. General. -----

(a) Additional Provisions of an Award. The award of any benefit under the Plan may also be subject to such other provisions (whether or not applicable to the benefit awarded to any other Participant) as the Board determines appropriate including, without limitation, provisions to assist the Participant in financing the purchase of Common Stock through the exercise of Options, provisions for the forfeiture of or restrictions on resale or other disposition of shares acquired under any form of benefit, provisions giving the Company the right to repurchase shares acquired under any form of benefit in the

event the Participant elects to dispose of such shares, and provisions to comply with Federal and state securities laws and Federal and state income tax withholding requirements.

(b) Privileges of Stock Ownership. Except as otherwise specifically provided in the Plan, no person shall be entitled to the privileges of stock ownership in respect of shares of stock which are subject to Options or Restricted Stock Awards, Performance Share Unit Awards or Phantom Stock Unit Awards hereunder until such shares have been issued to that person upon exercise of an Option according to its terms or upon sale or grant of those shares in accordance with a Restricted Stock Award, Performance Share Unit Award or Phantom Stock Unit Award.

(c) Government and Other Regulations. The obligation of the Company to make payment of Awards in Stock or otherwise shall be subject to all applicable laws, rules, and regulations, and to such approvals by governmental agencies as may be required. The Company shall be under no obligation to register under the Securities Act any of the shares of Stock issued under the Plan. If the shares issued under the Plan may in certain circumstances be exempt from registration under the Securities Act, the Company may restrict the transfer of such shares in such manner as it deems advisable to ensure the availability of any such exemption.

(d) Tax Withholding. Notwithstanding any other provision of the Plan, the Company or a Subsidiary, as appropriate, shall have the right to deduct from all Awards, to the extent paid in cash, all federal, state or local taxes as required by law to be withheld with respect to such Awards and, in the case of Awards paid in Stock, the Holder or other person receiving such Stock may be required to pay to the Company or a Subsidiary, as appropriate prior to delivery of such Stock, the amount of any such taxes which the Company or Subsidiary is required to withhold, if any, with respect to such Stock. Subject in particular cases to the disapproval of the Board, the Company may accept shares of Stock of equivalent Fair Market Value in payment of such withholding tax obligations if the Holder of the Award elects to make payment in such manner at least six months prior to the date such tax obligation is determined.

(e) Claim to Awards and Employment Rights. No employee or other person shall have any claim or right to be granted an Award under the Plan nor, having been selected for the grant of an Award, to be selected for a grant of any other Award. Neither this Plan nor any

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action taken hereunder shall be construed as giving any Participant any right to be retained in the employ of the Company or a Subsidiary.

(f) Conditions. Each Participant to whom Awards are granted under the Plan shall be required to enter into an Incentive Plan Agreement in a form authorized by the Board, which may include provisions that the Participant shall not disclose any confidential information of the Company or any of its Subsidiaries acquired during the course of such Participant's employment.

(g) Designation and Change of Beneficiary. Each Participant shall file with the Board a written designation of one or more persons as the beneficiary who shall be entitled to receive the amounts payable with respect to an Award of Performance Share Units, Phantom Share Units or Restricted Stock, if any, due under the Plan upon his death. A Participant may, from time to time, revoke or change his beneficiary designation without the consent of any prior beneficiary by filing a new designation with the Board. The last such designation received by the Board shall be controlling; provided, however, that  
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no designation, or change or revocation thereof, shall be effective unless received by the Board prior to the Participant's death, and in no event shall it be effective as of a date prior to such receipt.

(h) Payments to Persons Other than Participants. If the Board shall find that any person to whom any amount is payable under the Plan is unable to care for his affairs because of illness or accident, or is a minor, or has died, then any payment due to such person or his estate (unless a prior claim therefor has been made by a duly appointed legal representative), may, if the Board so directs the Company, be paid to his spouse, child, relative, an institution maintaining or having custody of such person, or any other person deemed by the Board to be a proper recipient on behalf of such person otherwise entitled to payment. Any such payment shall be a complete discharge of the liability of the Board and the Company therefor.

(i) No Liability of Board Members. No member of the Board shall be personally liable by reason of any contract or other instrument executed by such member or on his behalf in his capacity as a member of the Board nor for any mistake of judgment made in good faith, and the Company shall indemnify and hold harmless each member of the Board and each other employee, officer or director of the Company to whom any duty or power relating to the administration or interpretation of the Plan may be allocated or delegated, against any cost or expense (including counsel fees) or liability (including any sum paid in

settlement of a claim) arising out of any act or omission to act in connection with the Plan unless arising out of such person's own fraud or bad faith; provided, however, that approval of the Board shall be required for the payment

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of any amount in settlement of a claim against any such person. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such persons may be entitled under the Company's Articles of Incorporation or By-Laws, as a matter of law, or otherwise, or any power that the Company may have to indemnify them or hold them harmless.

(j) Governing Law. The Plan will be administered in accordance with federal laws, or in the absence thereof, the laws of the State of Florida.

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(k) Funding. Except as provided under Section 10, no provision of the Plan shall require the Company, for the purpose of satisfying any obligations under the Plan, to purchase assets or place any assets in a trust or other entity to which contributions are made or otherwise to segregate any assets, nor shall the Company maintain separate bank accounts, books, records, or other evidence of the existence of a segregated or separately maintained or administered fund for such purposes. Holders shall have no rights under the Plan other than as unsecured general creditors of the Company, except that insofar as they may have become entitled to payment of additional compensation by performance of services, they shall have the same rights as other employees under general law.

(l) Nontransferability. A person's rights and interest under the Plan, including amounts payable, may not be sold, assigned, donated or transferred or otherwise disposed of, mortgaged, pledged or encumbered except, in the event of a Holder's death, to a designated beneficiary to the extent permitted by the Plan, or in the absence of such designation, by will or the laws of descent and distribution.

(m) Reliance on Reports. Each member of the Board shall be fully justified in relying, acting or failing to act, and shall not be liable for having so relied, acted or failed to act in good faith, upon any report made by the independent public accountant of the Company and its Subsidiaries and upon any other information furnished in connection with the Plan by any person or persons other than himself.

(n) Relationship to Other Benefits. No payment under the Plan shall be taken into account in determining any benefits under any pension, retirement, profit sharing, group insurance or other benefit plan of the Company or any Subsidiary except as otherwise specifically provided.

(o) Expenses. The expenses of administering the Plan shall be borne by the Company and its Subsidiaries.

(p) Pronouns. Masculine pronouns and other words of masculine gender shall refer to both men and women.

(q) Titles and Headings. The titles and headings of the sections in the Plan are for convenience of reference only, and in the event of any conflict, the text of the Plan, rather than such titles or headings shall control.

## 12. Changes in Capital Structure.

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Options, SARs, Restricted Stock Awards, Phantom Stock Unit Awards, Performance Share Unit Awards, and any agreements evidencing such Awards, and Performance Goals, shall be subject to adjustment or substitution, as determined by the Board in its sole discretion, as to the number, price or kind of a share of Stock or other consideration subject to such Awards or as otherwise determined

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by the Board to be equitable (i) in the event of changes in the outstanding Stock or in the capital structure of the Company, or of any other corporation whose performance is relevant to the attainment of Performance Goals hereunder, by reason of stock dividends, stock splits, recapitalizations, reorganizations, mergers, consolidations, combinations, exchanges or other relevant changes in capitalization occurring after the Date of Grant of any such Award or (ii) in the event of any change in applicable laws or any change in circumstances which results in or would result in any substantial dilution or enlargement of the rights granted to, or available for, Participants in the Plan, or which otherwise warrants equitable adjustment because it interferes with the intended operation of the Plan. In addition, in the event of any such adjustments or substitution, the aggregate number of shares of Stock available under the Plan shall be appropriately adjusted by the Board, whose determination shall be conclusive. Any adjustment in Incentive Stock Options under this Section 12

shall be made only to the extent not constituting a "modification" within the meaning of Section 424(h)(3) of the Code, and any adjustments under this Section 12 shall be made in a manner which does not adversely affect the exemption provided pursuant to Rule 16b-3 under the Exchange Act. The Company shall give each Participant notice of an adjustment hereunder and, upon notice, such adjustment shall be conclusive and binding for all purposes.

13. Effect of Change in Control.  
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(a) In the event of a Change in Control, notwithstanding any vesting schedule provided for hereunder or by the Board with respect to an Award of Options, SARs, Phantom Stock Units or Restricted Stock, such Option or SAR shall become immediately exercisable with respect to one hundred percent (100%) of the shares subject to such Option or SAR, and the Restricted Period shall expire immediately with respect to one hundred percent (100%) of the Phantom Stock Units or shares of Restricted Stock subject to Restrictions; provided,

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however, that to the extent that so accelerating the time an Incentive Stock  
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Option may first be exercised would cause the limitation provided in Section 7(f) to be exceeded, such Options shall instead first become exercisable in so many of the next following years as is necessary to comply with such limitation.

(b) In the event of a Change in Control, all incomplete Award Periods in effect on the date the Change in Control occurs shall end on the date of such change, and the Board shall, (i) determine the extent to which Performance Goals with respect to each such Award Period have been met based upon such audited or unaudited financial information then available as it deems relevant, (ii) cause to be paid to each Participant partial or full Awards with respect to Performance Goals for each such Award Period based upon the Board's determination of the degree of attainment of Performance Goals, and (iii) cause all previously deferred Awards to be settled in full as soon as possible.

(c) The obligations of the Company under the Plan shall be binding upon any successor corporation or organization resulting from the merger, consolidation or other reorganization of the Company, or upon any successor corporation or organization succeeding to substantially all of the assets and business of the Company. The Company agrees that it will make

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appropriate provisions for the preservation of Participant's rights under the Plan in any agreement or plan which it may enter into or adopt to effect any such merger, consolidation, reorganization or transfer of assets.

14. Nonexclusivity of the Plan.  
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Neither the adoption of this Plan by the Board nor the submission of this Plan to the shareholders of the Company for approval shall be construed as creating any limitations on the power of the Board to adopt such other incentive arrangements as it may deem desirable, including, without limitation, the granting of stock options otherwise than under this Plan, and such arrangements may be either applicable generally or only in specific cases.

15. Amendments and Termination.  
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The Board may at any time terminate the Plan. With the express written consent of an individual Participant, the Board may cancel or reduce or otherwise alter the outstanding Awards thereunder if, in its judgment, the tax, accounting, or other effects of the Plan or potential payouts thereunder would not be in the best interest of the Company. The Board may, at any time, or from time to time, amend or suspend and, if suspended, reinstate, the Plan in whole or in part, however, that without further shareholder approval the Board shall not:

- (a) Increase the maximum number of Shares which may be issued on exercise of Options, SARs, or pursuant to Restricted Stock Awards, Phantom Stock Unit Awards, or Performance Share Unit Awards, except as provided in Section 12 of the Plan;
- (b) Change the maximum Option Price;
- (c) Extend the maximum Option Term;
- (d) Extend the termination date of the Plan; or
- (e) Change the class of persons eligible to receive Awards under the Plan.

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EXHIBIT 23.1

CONSENT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS  
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As independent certified public accountants, we hereby consent to the incorporation by reference in this Form S-8 registration statement of our report dated January 26, 1996, incorporated by reference in Capital City Bank Group, Inc.'s Form 10-K, as amended by Form 10-K/A, for the year ended December 31, 1995, and to all references to our Firm included in this registration statement.

/s/ Arthur Andersen LLP

Atlanta, Georgia  
December 20, 1996

EXHIBIT 23.2

CONSENT

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The Board of Directors  
Capital City Bank Group, Inc.

We consent to incorporation by reference in the registration statement dated December 23, 1996 on Form S-8 of Capital City Bank Group, Inc. of our report dated October 24, 1995 relating to the consolidated balance sheet of First Financial Bancorp, Inc., as of September 30, 1995 and 1994 and the related consolidated statements of earnings, stockholders' equity and cash flows for each of the years in the three-year period ended September 30, 1995.

/s/ Hacker, Johnson, Cohen & Grieb

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HACKER, JOHNSON, COHEN & GRIEB  
Tampa, Florida  
December 20, 1996

