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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): April 30, 2010**

**United Community Banks, Inc.**

(Exact name of registrant as specified in its charter)

**Georgia**

(State or other jurisdiction  
of incorporation)

**No. 0-21656**

(Commission File Number)

**No. 58-180-7304**

(IRS Employer Identification No.)

**63 Highway 515, P.O. Box 398  
Blairsville, Georgia**

(Address of principal executive offices)

**30512**

(Zip Code)

Registrant's telephone number, including area code: **(706) 781-2265**

**Not applicable**

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 8.01 Other Events.**

On April 30, 2010, United Community Bank (“**Bank**”), a wholly owned subsidiary of United Community Banks, Inc. (“**Company**”), consummated the sale to Fletcher International, Inc. (“**Fletcher**”) and certain of its affiliates (collectively, “**Purchasers**”) of non-performing commercial and residential mortgage loans and other real estate owned, or “OREO,” properties with an aggregate purchase price equal to Bank’s carrying value of \$103 million. In connection with the asset sale, Fletcher received the balance of a \$30 million warrant to purchase common stock equivalent junior preferred stock that is equal to, after exercise, 7,058,824 shares of the Company’s common stock at an exercise price of \$4.25 per common share (the “**Warrant**”). However, the actual number of shares to be issued under the Warrant will be less because the Warrant may only be exercised via a cashless exercise. The sale was consummated pursuant to a certain Asset Purchase and Sales Agreement, dated as of April 1, 2010 (the “**Asset Purchase Agreement**”), by and among the Bank and Purchasers. The material terms of the Asset Purchase Agreement and the Warrant, and the transactions contemplated thereby, can be found in the full text of these agreements, which are attached as Exhibit 1.1 and 1.3, respectively, to that certain Current Report on Form 8-K filed by the Company with the SEC on April 1, 2010.

A copy of the Company’s press release dated April 30, 2010 announcing the closing is filed herewith as Exhibit 99.1

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits.

**Exhibit  
No.**

**Description**

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99.1 Press Release, dated as of April 30, 2010, announcing closing of asset sale.

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## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

*/s/ Rex S. Schuette*

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Rex S. Schuette

Executive Vice President and Chief Financial  
Officer

May 3, 2010

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## EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release, dated as of April 30, 2010, announcing closing of asset sale.



*For Immediate Release*

*For more information:*  
Rex S. Schuette  
Chief Financial Officer  
(706) 781-2266  
[Rex\\_Schuette@ucbi.com](mailto:Rex_Schuette@ucbi.com)

**UNITED COMMUNITY BANKS, INC. ANNOUNCES  
COMPLETION OF THE SALE OF \$103 MILLION IN  
NON-PERFORMING ASSETS**

BLAIRSVILLE, GA —May 3, 2010 — United Community Banks, Inc. (NASDAQ: UCBI) (“United”) today reported that on April 30, 2010 its wholly owned subsidiary, United Community Bank, completed the previously announced sale of non-performing assets to affiliates of Fletcher International, Inc. The \$103 million assets sold include certain non-performing commercial and residential mortgage loans and other real estate owned properties. The attached schedule shows the composition of the assets sold by type and geographic region. In connection with the asset sale, the Bank received a \$20.6 million cash down payment and entered into loan agreements totaling \$82.4 million in aggregate with the purchasers to finance the remaining portion of the purchase price. The purchasers also deposited \$18 million with the Bank to pre-fund an estimated three years of interest, principal amortization and other costs related to the maintenance of the assets.

“This one transaction reduces our non-performing assets by a very significant 25 percent,” said Jimmy Tallent, president and chief executive officer of United Community Banks. “We are removing highly illiquid assets from the portfolio, attaining their highest economic value in return, and avoiding any additional charge-offs and credit costs associated with them. Our ongoing commitment during this credit cycle has been to work through problem assets expeditiously and in ways that make sound business sense for our company and shareholders. To that end, we believe the Fletcher transaction is an innovative and highly effective approach.”

As part of the asset sale, Fletcher received the balance of a \$30 million warrant to purchase common stock equivalent junior preferred stock that is equal to, after exercise, 7,058,824 shares of United's common stock at an exercise price of \$4.25 per common share. The actual shares to be issued upon exercise will be less because the warrant may only be exercised via a cashless exercise.

About United Community Banks, Inc.

Headquartered in Blairsville, United Community Banks is the third-largest bank holding company in Georgia. United Community Banks has assets of \$7.8 billion and operates 27 community banks with 107 banking offices throughout north Georgia, the Atlanta region, coastal Georgia, western North Carolina and east Tennessee. The company specializes in providing personalized community banking services to individuals and small to mid-size businesses. United Community Banks also offers the convenience of 24-hour access through a network of ATMs, telephone and on-line banking. United Community Banks common stock is listed on the Nasdaq Global Select Market under the symbol UCBI. Additional information may be found at the company's web site at [www.ucbi.com](http://www.ucbi.com).

About Fletcher Asset Management, Inc.

Founded in 1991, SEC-Registered Investment Advisor Fletcher Asset Management Inc., Fletcher International, Ltd., Fletcher International, Inc. and other affiliates in the United States and Europe seek consistent investment returns from their supportive direct investments in responsible companies and in select private investment funds. More than 50 direct investments have strengthened promising companies helping to secure more than 50,000 jobs and develop and deliver important products and services. Additional information is available at [www.fletcher.com](http://www.fletcher.com).

Safe Harbor

This news release contains forward-looking statements, as defined by Federal Securities Laws, including statements about financial outlook and business environment. These statements are provided to assist in the understanding of future financial performance and such performance involves risks and uncertainties that may cause actual results to differ materially from those in such statements. Any such statements are based on current expectations and involve a number of risks and uncertainties. For a discussion of some factors that may cause such forward-looking statements to differ materially from actual results, please refer to the section entitled "Forward-Looking Statements" on page 3 of United Community Banks, Inc.'s annual report filed on Form 10-K with the Securities and Exchange Commission.

The foregoing description of the transaction documents is a summary and is qualified in its entirety by the full text of such documents as filed with the Securities and Exchange Commission.

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UNITED COMMUNITY BANKS, INC.

Schedule of Assets Sold to Affiliates of Fletcher International, Inc. as of April 30, 2010

<i>(in thousands)</i>	<b>Non-performing Loans</b>	<b>Foreclosed Properties</b>	<b>Total NPAs</b>
<b>NPAs BY CATEGORY</b>			
Commercial (sec. by RE)	\$ 20,138	\$ 9,234	\$ 29,372
Commercial construction	6,250	5,098	11,348
Commercial & industrial	—	—	—
Total commercial	26,388	14,332	40,720
Residential construction	43,267	19,102	62,369
Residential mortgage	—	—	—
Consumer / installment	—	—	—
<b>Total NPAs</b>	<b>\$ 69,655</b>	<b>\$ 33,434</b>	<b>\$ 103,089</b>
<b>NPAs BY MARKET</b>			
Atlanta MSA	\$ 4,901	\$ 5,745	\$ 10,646
Gainesville MSA	11,436	2,100	13,536
North Georgia	34,737	15,285	50,022
Western North Carolina	7,000	623	7,623
Coastal Georgia	11,581	9,681	21,262
East Tennessee	—	—	—
<b>Total NPAs</b>	<b>\$ 69,655</b>	<b>\$ 33,434</b>	<b>\$ 103,089</b>