

As filed with the Securities and Exchange Commission on March 31, 2000

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM S-3

Registration Statement
under
the Securities Act of 1933

UNITED COMMUNITY BANKS, INC.
(Exact name of Registrant as specified in its charter)

Georgia (State or other jurisdiction of incorporation or organization)	6712 (Primary Standard Industrial Classification Code Number)	58-1807304 (I.R.S. Employer Identification Number)
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Post Office Box 398
63 Highway 515
Blairsville, Georgia 30512
(706) 745-2151

(Address, including zip code, and telephone number, including
area code, of registrant's principal executive offices)

Mr. Christopher J. Bledsoe
Chief Financial Officer
United Community Banks, Inc.
Post Office Box 398
63 Highway 515
Blairsville, Georgia 30512
(706) 745-2151

(Name, address, including zip code, and telephone number,
including area code, of agent for service)

With copies to:
F. Sheffield Hale, Esq.
Kilpatrick Stockton LLP
Suite 2800
1100 Peachtree Street
Atlanta, Georgia 30309
(404) 815-6500

Approximate date of commencement of the proposed sale to the public: AS
SOON AS PRACTICABLE AFTER THIS REGISTRATION STATEMENT BECOMES EFFECTIVE.

If any of the securities being registered on this Form are being
offered on a delayed or continuous basis pursuant to Rule 415 under the
Securities Act of 1933 check the following box. / /

If this Form is filed to register additional securities for an offering
pursuant to Rule 462(b) under the Securities Act, please check the following box
and list the Securities Act registration number of the earlier effective
registration statement for the same offering. / /

If this Form is a post-effective amendment filed pursuant to Rule
462(c) under the Securities Act, check the following box and list the Securities
Act registration number of the earlier effective registration statement for the
same offering. / /

If delivery of the prospectus is expected to be made pursuant to Rule
434 please check the following box. / /

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Share	Proposed Minimum Aggregate Offering Price	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Common stock, par value \$1.00 per share	450,000	\$38.00	\$13,300,000	\$17,100,000	\$4,514.40

Estimated solely for the purpose of computing the registration fee

OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(A) OF THE SECURITIES ACT OF 1933, AS AMENDED, OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(A), MAY DETERMINE.

UNITED COMMUNITY BANKS, INC.

A Minimum of 350,000 Shares and a Maximum of 450,000 Shares of Common Stock

United Community Banks, Inc. hereby offers for sale a minimum of 350,000 shares and a maximum of 450,000 shares of our common stock at a price of \$38.00 per share. In the State of Georgia, the common stock offered hereby will be sold by certain of our executive officers, and no commissions will be paid on such sales. To comply with securities requirements of the State of North Carolina, we have engaged Wachovia Securities, Inc. to act as a broker-dealer for our account in effecting offers and sales of our common stock to investors in North Carolina. Wachovia Securities will receive a fee of \$40,000 for these services. Subscription proceeds for 350,000 shares must be deposited in an interest bearing account with SunTrust Bank by the date that is 30 days from the date of this prospectus unless extended to the date that is up to 90 days from the date of this prospectus, or the offering will terminate and subscription funds will be returned to subscribers.

The shares of common stock are being offered first to existing shareholders for a period commencing on the date of this prospectus and ending on the close of business on _____, 2000. Thereafter, the common stock offered hereby that has not been subscribed will be offered to members of the general public who are residents of the States of Georgia, North Carolina, and Tennessee and to existing shareholders. See "The Offeringing."

Our common stock is not traded on the Nasdaq National Market System or any national securities exchange; therefore, there is no established public market for the common stock. The offering price of \$38.00 per share of common stock was determined by our Board of Directors. For information relating to the factors considered in determining the offering price to the public, see "Determination of Offering Price."

See "Risk Factors" for a discussion of certain factors that should be considered in connection with an investment in the securities offered hereby.

These securities have not been approved or disapproved by the Securities and Exchange Commission or any state securities commission, nor has the Securities and Exchange Commission or any state securities commission passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

The securities offered hereby are not savings or deposit accounts or other obligations of a bank, and they are not insured by the Bank Insurance Fund of the Federal Deposit Insurance Corporation or any other government agency.

	Price to Public	Underwriting Discounts and Commissions	Proceeds to United
Per Share of Common Stock.....	\$38.00		\$38.00
Minimum.....	Not applicable		\$13,260,000
Maximum.....	Not applicable		\$17,060,000

Before deducting expenses payable by us, estimated at \$80,250 but including the \$40,000 payable to Wachovia as provided in footnote 2.

Wachovia Securities, Inc. will receive a fee of \$40,000 for effecting sales of common stock on our behalf in the State of North Carolina.

The date of this prospectus is _____, 2000.

Prospectus Summary

The following summary is qualified in its entirety by the more detailed information and financial statements, and the notes related thereto, appearing elsewhere in this prospectus.

The Company

United Community Banks, Inc. is a registered bank holding company based in Blairsville, Georgia, which commenced operations in 1988 by acquiring 100% of the outstanding stock of Union County Bank, now known as United Community Bank. All of our activities are currently conducted by our wholly-owned subsidiaries:

- o United Community Bank, Blairsville, Georgia, organized in 1950;
- o Carolina Community Bank, Murphy, North Carolina, acquired in 1990
- o Peoples Bank, Blue Ridge, Georgia, acquired in 1992;
- o Towns County Bank, Hiawassee, Georgia, acquired in 1992;
- o White County Bank, Cleveland, Georgia, acquired in 1995;
- o First Clayton Bank and Trust, Clayton, Georgia, acquired in 1997;
- o Bank of Adairsville, Adairsville, Georgia, acquired in 1999; and
- o 1st Floyd Bank, Rome, Georgia, acquired in 1999.

We operate two consumer finance companies: United Family Finance Co., which operates two offices in Georgia, and United Family Finance Co. of North Carolina, which operates two offices in North Carolina. The Mortgage People Company, a division of United Community Bank, is a full-service retail mortgage lending operation approved as a seller/servicer for Federal National Mortgage Association and Federal Home Mortgage Corporation. In addition, we own an insurance agency, United Agencies, Inc.

At December 31, 1999, we had total consolidated assets of approximately \$2.1 billion, total loans of approximately \$1.4 billion, total deposits of approximately \$1.6 billion, and shareholders' equity of approximately \$96.3 million.

Recent Developments

On March 3, 2000, we entered into an agreement to acquire North Point Bancshares, Inc., Dawsonville, Georgia, in exchange for 958,211 shares of our common stock. As of December 31, 1999, North Point had \$106.5 million in total consolidated assets, \$96.6 million of total deposits, and \$9.2 million of total shareholders' equity.

On March 3, 2000, we entered into an agreement to acquire Independent Bancshares, Inc., Powder Springs, Georgia, in exchange for 870,598 shares of our common stock. As of December 31, 1999, Independent had \$145.1 million in total assets, \$_____ million of total deposits, and \$13.1 million of total shareholders' equity.

At our shareholders' meeting to be held in the second quarter of 2000, our shareholders will be asked to approve an increase in our authorized common stock from 10,000,000 shares to 50,000,000 shares to provide sufficient shares to issue in the North Point and Independent acquisitions. The closings of these acquisitions are conditioned upon our shareholders' approval of the increase in common stock. We have sufficient shares of common stock currently available to issue to subscribers in this offering.

Our executive offices are located at 63 Highway 515, Blairsville, Georgia 30512, and our telephone number is (706) 745-2151.

The Offering

Common Stock

Common stock offered.....	A minimum of 350,000 shares and a maximum of 450,000 shares.
Common stock deemed outstanding before the offering	8,429,090 shares as of March 1, 2000, including 140,000 shares deemed outstanding pursuant to our debentures that are due December 31, 2006, and presently exercisable options to acquire 254,822 shares issued pursuant to the our stock option plan.
Common stock deemed outstanding after the offering.....	8,879,090 shares (including shares underlying the outstanding debentures and options and assuming that 450,000 shares are sold in this offering).
Use of Proceeds.....	To provide capital for our subsidiary banks and for other corporate purposes. See "Use of Proceeds."
How to Subscribe.....	See page 7 for instructions on subscribing for common stock.

United Community Banks, Inc.
Summary Consolidated Financial Information
(In thousands, except per share data)

	December 31,				
	1999	1998	1997	1996	1995
Balance Sheet Data					
Total assets	\$2,131,440	\$1,591,399	\$1,216,693	\$926,844	\$738,651
Loans, gross	1,400,360	1,061,165	872,499	662,245	489,260
Deposits	1,649,392	1,238,323	1,033,756	809,149	660,146
Trust preferred securities	21,000	21,000	0	0	0
Convertible subordinated debentures	3,500	3,500	3,500	3,500	3,500
Long term debt	222,255	143,771	31,575	33,515	15,810
Stockholders' equity	\$ 96,270	93,836	80,086	62,357	53,126
Income Statement Data					
Net interest income	\$ 67,974	56,210	45,718	35,461	26,076
Provision for loan losses	5,104	2,612	2,814	1,751	1,128
Non-interest income	10,836	9,129	7,200	5,866	4,698
Non-interest expense	54,165	43,964	34,063	26,341	20,165
Income taxes	5,893	5,990	4,987	4,180	2,634
Net income	\$ 13,648	12,773	11,054	9,055	6,847
Per Share Data					
Book value.....	\$ 11.98	11.72	10.15	8.21	7.13
Basic net income	1.70	1.60	1.42	1.22	0.99
Diluted net income	1.66	1.57	1.40	1.20	0.97
Cash dividends declared	\$ 0.20	0.15	0.10	0.10	0.08
Weighted average outstanding shares	8,020	7,973	7,810	7,399	6,919
Ratios					
Return on average assets	0.72%	0.94%	1.03%	1.11%	1.08%
Return on average stockholders' equity	14.33%	14.84%	15.54%	15.64%	15.06%
Net interest margin, taxable equivalent	3.98%	4.60%	4.66%	4.86%	4.65%
Average stockholders' equity to average assets	5.02%	6.35%	6.60%	7.08%	7.20%
Excluding merger-related charges					
Net income	\$ 14,803	12,773	11,054	9,055	6,847
Basic net income per share	1.85	1.60	1.42	1.22	0.99
Diluted net income per share.....	\$ 1.80	1.57	1.40	1.20	0.97
Return on average assets	0.78%	0.94%	1.03%	1.11%	1.08%
Return on average stockholders' equity	15.54%	14.84%	15.54%	15.64%	15.06%

Represents shareholders' equity divided by the number of outstanding shares at period end.

Amounts and ratios exclude the impact of merger-related charges recorded in 1999 totaling \$1.2 million, net of tax, in connection with the merger of United Community Banks, Inc. and 1st Floyd Bankshares, Inc.

Risk Factors

INVESTORS SHOULD CAREFULLY CONSIDER THE FOLLOWING RISK FACTORS, IN ADDITION TO THE OTHER INFORMATION CONTAINED IN THIS PROSPECTUS, BEFORE PURCHASING ANY OF THE SECURITIES OFFERED HEREBY.

ARBITRARILY DETERMINED PUBLIC OFFERING PRICE MAY BE HIGHER THAN THE MARKET PRICE OF THE COMMON STOCK AFTER THE OFFERING

You may not be able to resell the common stock for the offering price or for any other amount because we arbitrarily determined the offering price. Our common stock is not traded on the Nasdaq Stock Market or a national securities exchange; therefore, we could not set the public offering price with reference to historical measures of our common stock's price performance in an active trading market. We did not retain an independent investment banking firm to assist in determining the offering price.

Please note that these securities are not bank accounts or deposits nor are they insured by the FDIC or any other state or federal agency.

An active trading market may not develop

Your purchase of our common stock may not be a liquid investment because no public trading market currently exists for our common stock. We are currently considering listing our stock on the Nasdaq Stock Market. There can be no assurance as to when, if ever, the stock will be listed. You should consider carefully the limited liquidity of your investment before purchasing any shares of our common stock. Wachovia Securities has not undertaken to, and will not, make a market in our common stock following the offering and we are not aware of anyone who intends to make a market in our common stock. Factors such as the limited size of the offering and the fact that our common stock will not be listed mean that an active and liquid market for our common stock probably will not develop in the near future. If a trading market does develop, it may not continue and you may not be able to sell your shares at or above the price at which these shares are being offered to the public.

The shares of common stock offered hereby will not be subject to any specific restrictions on transfer (with the exception of securities purchased by our directors, officers, and other affiliates) and will be freely transferable immediately upon issuance.

Changes in interest rates may adversely affect our business

Changes in net interest income. Our profitability is significantly

dependent on net interest income. Net interest income is the difference between interest income on interest-earning assets, such as loans, and interest expense on interest-bearing liabilities, such as deposits. Therefore, any change in general market interest rates, whether as a result of changes in monetary policies of the Federal Reserve Board or otherwise, can have a significant effect on net interest income. Our assets and liabilities may react differently to changes in overall market rates or conditions because there may be mismatches between the repricing or maturity characteristic of assets and liabilities. As a result, changes in interest rates can affect net interest income in either a positive or negative way.

Changes in the yield curve. Changes in the difference between short and long-term interest rates, commonly known as the yield curve, may also harm our business. For example, short-term deposits may be used to fund longer-term loans. When differences between short-term and long-term interest rates shrink or disappear, the spread between rates paid on deposits and received on loans could narrow significantly, decreasing our net interest income.

Forward-Looking Statements

This prospectus contains statements about future events and expectations which are characterized as forward-looking statements. Forward-looking statements are based on management's beliefs, assumptions, and expectations of our future economic performance, taking into account the information currently available to them. These statements are not statements of historical fact. Forward-looking statements involve risks and uncertainties that may cause our actual results, performance, or financial condition to differ materially from the expectations of future results, performance, or financial condition we express or imply in any forward-looking statements. Factors that could contribute to these differences include those discussed in "Risk Factors" and in other sections of this prospectus. The words believe, may, will, should, anticipate, estimate, expect, intend, objective, seek, strive, or similar words, or the negatives of these words, identify forward-looking statements. We qualify any forward-looking statements entirely by these cautionary factors.

The Offering

We are offering for sale to the public a minimum of 350,000 shares and a maximum of 450,000 shares of common stock at a price of \$38.00 per share. In the States of Georgia and Tennessee, the common stock offered hereby will be sold by certain of our executive officers, and no commission will be paid on such sales. To comply with securities requirements of the State of North Carolina, we have engaged Wachovia Securities, Inc., pursuant to the terms of a broker-dealer agreement dated March 31, 2000, to act as a broker-dealer for our account in effecting offers and sales of the common stock to investors in North Carolina at the public offering price. Wachovia Securities has no obligation to purchase any of the common stock. At the closing of the offering, Wachovia Securities will receive a fee of \$40,000 for its services. Whether or not the offering is completed, we will reimburse Wachovia Securities for its reasonable fees and expenses. We will indemnify Wachovia against certain liabilities, including civil liabilities under the Securities Act.

A minimum of 350,000 shares must be sold in the offering, or it will be terminated. The offering will terminate on the date that is 30 days from the date of this prospectus, subject to termination at an earlier date upon acceptance of subscriptions for all of the securities offered hereby or to extension for an additional period or periods up to 90 days from the date of this prospectus at our sole discretion. On the offering termination date, subscription funds will be returned to subscribers if 350,000 shares have not been subscribed, and we will receive all interest earned on any funds held by SunTrust Bank as escrow agent. Our officers will receive no compensation for selling the shares of common stock, but they will be reimbursed for reasonable expenses incurred by them in connection with the offering, such as travel, telephone, and similar expenses. Our affiliates who purchase shares in the offering have committed to purchase those shares for investment purposes.

How To Subscribe

The shares of common stock offered hereby will be first offered to current holders of our common stock in proportion to the amount of common stock owned by each on the date of this prospectus. No later than the close of business on May __, 2000, our current shareholders who wish to subscribe for shares of common stock must submit a subscription agreement, attached as Exhibit A to this prospectus, and a check made payable to SunTrust Bank as escrow agent in the amount of the purchase price for the shares of common stock they wish to purchase. The subscription funds will be held in escrow at SunTrust Bank pending sale of a total of 350,000 shares. The number of shares of common stock initially subscribed for by each shareholder may not exceed an amount which is the same percentage of the maximum amount of shares of common stock being offered hereby, 450,000, as the percentage of outstanding common stock held by the shareholder on the date of this prospectus (0.056 shares for each 1 share of common stock owned by the current shareholders rounded to the nearest whole share). Thereafter, we will offer that number of shares of common stock not subscribed for by current shareholders and accepted by us to members of the public who are residents of the States of Georgia, North Carolina, and Tennessee who may subscribe for blocks of whole shares of common stock consisting of at least 100 shares (unless otherwise agreed to by us).

Persons who wish to subscribe for shares of common stock must, prior to the termination of the offering:

(1) Complete the appropriate portions of and sign the subscription agreement that is attached to this prospectus as Exhibit A to subscribe for at least 100 shares of common stock;

(2) Make full payment of the aggregate purchase price for the shares subscribed in United States currency by check, bank draft, or money order payable to "SunTrust Bank, as Escrow Agent for United Community Banks, Inc."; and

(3) Deliver the subscription agreement together with a check for full payment of the purchase price, to United Community Banks, Inc., Post Office Box 398, Blairsville, Georgia 30514, Attention: Lois Rich.

Subscriptions are not binding until accepted by us. We reserve the right to accept or reject subscriptions, in whole or in part, or to cancel the offering, in our sole discretion. All subscription payments received by us for the first 350,000 shares subscribed will be deposited in an interest-bearing escrow account at SunTrust Bank. If subscription funds for 350,000 shares are not received by the offering termination date, all subscription funds will be returned promptly to investors. Once subscription funds for 350,000 shares have been received and placed in the escrow account, such proceeds and any interest earned thereon will be made available to us, as will the proceeds of any subsequent sales of shares.

Certificates representing the common stock purchased in the offering will be issued by us and mailed to subscribers as soon as practicable after acceptance of subscriptions. Rejected subscription payments will be returned to subscribers by mail, as soon as possible, but in no event later than 30 days after the occurrence of such rejection.

Determination of Offering Price

We determined the offering price for the common stock in light of factors such as recent sales of the common stock and our earnings during the year ended December 31, 1999, as well as our prospective earnings, an assessment of our management, the nature of our assets and liabilities, our future prospects and those of the banking industry in general, area and national economic conditions, interest rate environment, market prices of and demand for securities of institutions engaged in activities similar to our activities, and a comparison of prices of securities of other financial institutions to their earnings and book values.

No assurance can be given that investors in the offering will be able to resell their shares of common stock at a price equal to or greater than the offering price set forth on the cover page of this prospectus or that such price necessarily indicates the fair market value of the common stock.

Market For and Price Range of Common Stock

Since we began operations as a holding company in 1988, there has been no established market for our common stock. As of March 1, 2000, 8,429,090 shares of common stock were issued and outstanding, including 140,000 shares deemed outstanding pursuant to outstanding debentures and presently exercisable options to acquire 254,822 shares.

We are aware of approximately 118 sales of common stock in 2000 as of March 1, aggregating approximately 17,533 shares in blocks ranging from 1 to 1,000 shares at prices ranging from \$40.00 per share to \$50.00 per share. We are aware of approximately 551 sales of common stock in 1999, aggregating approximately 168,000 shares in blocks ranging from one share to 4,136 shares at prices ranging from \$35.00 per share to \$55.00 per share, and of approximately 435 sales of common stock in 1998, aggregating approximately 170,000 shares in blocks ranging from one share to 4,000 shares at prices ranging from \$25.00 per share to \$50.00 per share. At December 31, 1999, there were 3,530 holders of record of common stock.

It is not expected that any active public market for the common stock will develop as a result of the completion of the offering or otherwise.

Use of Proceeds

The net proceeds from the sale of the shares of common stock offered hereby are estimated to be \$17 million after the deduction of estimated offering expenses, assuming the entire amount of common stock offered for sale hereby is subscribed. We intend to use these proceeds to provide capital for our subsidiary banks and for other corporate purposes including reduction of our debt.

Capitalization

The following table sets forth our consolidated capitalization at December 31, 1999, and as adjusted at that date to give effect to the sale of 350,000 and 450,000 shares of common stock and the application of the estimated resulting net proceeds as described in "Use of Proceeds." This table should be reviewed in conjunction with our Consolidated Financial Statements and the related notes thereto appearing elsewhere in this prospectus.

	December 31, 1999 Dollars in thousands		
	Actual	350,000 Shares As Adjusted	450,000 Shares As Adjusted
Long-Term Debt	\$222,255	\$222,255	\$222,255
Convertible Subordinated Debentures	3,500	3,500	3,500
Guaranteed preferred beneficial interests in Company's junior subordinated debentures (Trust Preferred Securities)	21,000	21,000	21,000
Stockholders' Equity:			
Preferred Stock, \$1.00 par value; 10,000,000 shares authorized, no shares issued and outstanding	-	-	-
Common stock, \$1.00 par value; 10,000,000 shares authorized, 8,034,268 shares issued and outstanding, 8,384,268 and 8,484,268 shares issued and outstanding, as adjusted for the 350,000 and 450,000 shares offered hereby	8,034	8,384	8,484
Capital surplus	30,310	43,140	46,840
Retained earnings	66,606	66,606	66,606
Accumulated other comprehensive income (loss)	(8,680)	(8,680)	(8,680)
Total stockholders' equity	96,270	109,450	113,250
Total capitalization	\$343,025	\$356,205	\$360,005

 Gives effect to the application of the net proceeds of the offering.

Dividends

We paid cash dividends of \$0.20 per share of common stock to shareholders of record in 1999 and \$0.15 per share of common stock to shareholders of record in 1998. On April 1, 2000, we will pay a dividend of \$0.075 per share. We presently intend to continue paying cash dividends on a quarterly basis on our common stock.

The amount and frequency of dividends will be determined by our Board of Directors in light of our earnings, capital requirements, and financial condition, and no assurance can be given that dividends on our common stock will be declared in the future. Further, our ability to pay cash dividends on the common stock will be dependent on cash dividends paid to us by our bank subsidiaries. The ability of our bank subsidiaries to pay dividends to us is restricted by applicable regulatory requirements.

Business

General

We were incorporated under the laws of Georgia in 1987 and commenced operations in 1988 by acquiring 100% of the outstanding shares of Union County Bank, now known as United Community Bank. We are a bank holding company registered under the Bank Holding Company Act of 1956. All of our activities are currently conducted by our wholly-owned subsidiaries:

- o United Community Bank, organized as a Georgia banking corporation in 1950;
- o Carolina Community Bank, Murphy, North Carolina, acquired in 1990;
- o Peoples Bank of Fannin County, Blue Ridge, Georgia, acquired in 1992;
- o Towns County Bank, Hiawassee, Georgia, acquired in 1992;
- o White County Bank, Cleveland, Georgia, acquired in 1995;
- o First Clayton Bank and Trust, Clayton, Georgia, acquired in 1997;
- o Bank of Adairsville, Adairsville, Georgia, acquired in 1999; and
- o 1st Floyd Bank, Rome, Georgia, acquired in 1999.

Our banks are community-oriented and offer a full range of retail and corporate banking services, including checking, savings, and time deposit accounts, secured and unsecured loans, wire transfers, trust services, and rental of safe deposit boxes. As of December 31, 1999, our banks operated a total of 34 locations. To emphasize the commitment to community banking, both United Community Bank and Peoples Bank of Fannin County operate offices under trade names that are closely identified with the communities in which they are located. United Community Bank operates two offices in Union County under the trade name "Union County Bank," two offices in Lumpkin County, Georgia, under the trade name "United Community Bank of Lumpkin County," two offices in Habersham County, Georgia, under the trade name "First Bank of Habersham," and one office in Hall County, Georgia, under the trade name "United Community Bank of Hall County." Peoples Bank of Fannin County operates one office in Gilmer County, Georgia, under the trade name of "United Community Bank of Gilmer County." The operation of bank offices under trade names is permissible under current state and federal banking regulations and requires certain customer disclosures, which both United Community Bank and Peoples Bank of Fannin County provide.

The Mortgage People Company, a division of United Community Bank, is a full-service retail mortgage lending operation approved as a seller/servicer for Federal National Mortgage Association and Federal Home Mortgage Corporation. The Mortgage People Company was organized to provide fixed and adjustable-rate mortgages. During 1999, it originated \$129 million of residential mortgage loans for the purchase of homes and to refinance existing mortgage debt, substantially all of which were sold along with the servicing rights into the secondary market with no recourse.

We operate two consumer finance companies - United Family Finance Co., which operates two offices in Georgia, and United Family Finance Co. of North Carolina, which operates two offices in North Carolina. In addition, we own an insurance agency, United Agencies, Inc.

Recent Developments

Pending Acquisitions. On March 3, 2000, we entered into an agreement to -----
acquire North Point Bancshares, Inc. of Dawsonville, Georgia, for 958,211 shares of our common stock in a transaction that will be accounted for as a pooling of interests. As of December 31, 1999, North Point had total consolidated assets of \$106.5 million, total liabilities of \$97.3 million, and total shareholders' equity of approximately \$9.2 million. The assets included \$29.1 million of

investment securities and \$61.0 million of loans, net of allowance for loan losses. Total liabilities included \$96.6 million of deposits, of which \$17.7 million were non-interest bearing demand deposits and \$78.9 million were interest bearing deposits.

On March 3, 2000, we entered into an agreement to acquire Independent Bancshares, Inc. of Powder Springs, Georgia, for 870,598 shares of our common stock in a transaction that will be accounted for as a pooling of interests. As of December 31, 1999, Independent had \$145.1 million of total assets, \$132.1 million of total liabilities, and \$13.1 million of total shareholders' equity. The assets included \$26.1 million of investment securities and \$100.5 million of loans, net of allowance for loan losses. Total liabilities included \$123.4 million of deposits, of which \$16.6 million were non-interest bearing demand deposits and \$106.8 million were interest bearing deposits.

At our shareholders' meeting to be held in the second quarter of 2000, our shareholders will be asked to approve an increase in our authorized common stock from 10,000,000 shares to 50,000,000 shares to provide sufficient shares to issue in the North Point and Independent acquisitions. The closings of those acquisitions are conditioned upon our shareholders' approval of the increase in common stock. There are sufficient shares currently available to issue to subscribers in this offering.

Services

Our banks are community-oriented, with an emphasis on retail banking, and offer such customary banking services as customer and commercial checking accounts, NOW accounts, savings accounts, certificates of deposit, lines of credit, MasterCard and VISA accounts, money transfers, and trust services. Our banks finance commercial and consumer transactions, make secured and unsecured loans, including residential mortgage loans, and provide a variety of other banking services.

The Mortgage People Company, a division of United Community Bank, is a full-service mortgage lending operation approved as a seller/servicer for the Federal National Mortgage Association and the Federal Home Mortgage Corporation and offers fixed and adjustable-rate mortgages.

United Family Finance Company, is a traditional consumer finance company. United Family Finance, formerly known as Mountain Mortgage and Loan Company, is based in Hiawassee, Georgia, and also has been granted a license to conduct business in Blue Ridge, Georgia. United Family Finance Co. of North Carolina operates two offices in Murphy and Franklin, North Carolina.

Markets

We conduct banking activities primarily through United Community Bank in Union, Lumpkin, and Habersham Counties; through Peoples Bank in Fannin County, Georgia and Polk County, Tennessee; through Towns County Bank in Towns County, Georgia; through Carolina Community Bank in Cherokee, Macon, Haywood, Graham, and Clay Counties, North Carolina; through White County Bank in White County, Georgia; through First Clayton Bank and Trust in Clayton County, Georgia; through Bank of Adairsville in Adairsville, Georgia; and through 1st Floyd Bank in Floyd County, Georgia. Mortgage People Company makes mortgage loans inside the banks' market areas. Customers of our subsidiary banks are primarily consumers and small businesses.

Deposits

Our banks offer a full range of depository accounts and services to both consumers and businesses. At December 31, 1999, our deposit base, totaling approximately \$1.6 billion, consisted of approximately \$192 million in non-interest-bearing demand deposits (12% of total deposits), approximately \$329 million in interest-bearing demand and money market deposits (20% of total

deposits), approximately \$74 million in savings deposits (4% of total deposits), approximately \$743 million in time deposits in amounts less than \$100,000 (45% of total deposits), and approximately \$312 million in time deposits of \$100,000 or more (19% of total deposits). Certificates of deposit in excess of \$100,000 may be more volatile than other deposits because those deposits, to the extent that they exceed \$100,000, are not insured by the FDIC. Our management is of the opinion that its time deposits of \$100,000 or more are customer-relationship oriented and represent a reasonably stable source of funds. Time deposits of less than \$100,000 include approximately \$70 million of "brokered" deposits, which have an average maturity of less than one year.

Loans

Our banks make both secured and unsecured loans to individuals and businesses. Secured loans include first and second real estate mortgage loans. The banks also make direct installment loans to consumers on both a secured and unsecured basis. At December 31, 1999, the break out of loans by collateral type is:

(dollar amounts in thousands)	Amount	Percent of Total Loans
Secured by real estate:		
Residential first liens	\$ 506,729	36.1%
Residential second liens	27,177	1.9%
Home equity lines of credit	53,191	3.8%
Construction and land development	161,774	11.6%
Non-farm, non-residential	355,269	25.4%
Farmland	16,173	1.2%
Multi-family residential	10,846	0.8%
	-----	-----
Total real estate	1,131,159	80.8%
Other Loans:		
Commercial and industrial	105,221	7.5%
Agricultural production	9,923	0.7%
States and municipalities	10,101	0.7%
Consumer installment loans	136,983	9.8%
Credit cards and other revolving credit	6,973	0.5%
	-----	-----
Total other loans	269,201	19.2%
	-----	-----
Total loans	\$1,400,360	100.0%
	=====	=====

Specific risk elements associated with each of the banks' lending categories are as follows:

Commercial, financial, and agricultural	Industry concentrations, inability to monitor the condition of collateral (inventory, accounts receivable, and vehicles), lack of borrower management expertise, increased competition, and specialized or obsolete equipment as collateral
Real estate - construction	Inadequate collateral and long-term financing agreements
Real estate - mortgage	Changes in local economy and rate limits on variable rate loans
Installment loans	to individuals Loss of borrower's employment, changes in local economy, and the inability to monitor collateral (vehicles, boats, and mobile homes)

Competition

The market for banking and bank-related services is highly competitive. Our banks actively compete in their respective market areas, which collectively cover portions of north Georgia and western North Carolina, with other providers of deposit and credit services. These competitors include other commercial banks, savings banks, savings and loan associations, credit unions, mortgage companies, and brokerage firms. The following table displays each of our banks and the respective percentage of total deposits in each county where each bank has operations. The table also indicates the ranking by deposit size in each of the local markets. All information in the table was obtained from the Federal Deposit Insurance Corporation Summary of Deposits as of June 30, 1999.

United Community Banks, Inc.
Share of Local Market (County)
Banks and Savings Institutions

	Market Share	Rank in Market
United Community		
Habersham	15%	4
Lumpkin	24%	2
Union	83%	1
Carolina		
Cherokee	45%	1
Clay	64%	1
Graham	40%	1
Haywood	7%	6
Henderson	2%	13
Jackson	13%	3
Macon	7%	6
Swain	21%	2
Transylvania	6%	5
Fannin		
Fannin	59%	1
Gilmer	17%	3
White		
White	50%	1
Towns		
Towns	36%	2
First Clayton		
Rabun	29%	3
Adairsville		
Bartow	7%	7
Floyd		
Floyd	8%	6

Management

Executive Officers

Our executive officers are elected by the Board of Directors annually in January and hold office until the following January unless they sooner resign or are removed from office by the Board of Directors.

Our executive officers, and their ages, positions, and terms of office as of February 1, 2000, are as follows:

Name (age)	Position with us	Position with our subsidiary banks	Officer since
Jimmy C. Tallent (47)	President, Chief Executive Officer and Director	Chairman of the Board of Union County Bank, Towns County Bank and White County Bank; Director of Carolina Community Bank, Peoples Bank, First Clayton Bank and Trust, Bank of Adairsville, 1st Floyd Bank and United Family Finance	1988
Thomas C. Gilliland (51)	Executive Vice President and Director	President, Chief Executive Officer and Vice Chairman of the Board of Peoples Bank; Executive Vice President and Director of United	1992
Billy M. Decker (56)	Senior Vice President, Director and Secretary	Senior Vice President, Director and Secretary of United Community Bank; Director of Carolina Community Bank	1988
Guy Freeman (64)	Senior Vice President	President, Chief Executive Officer and Director of Carolina Community Bank	1995
Christopher J. Bledsoe (36)	Senior Vice President and Chief Financial Officer	Director of United Family Finance	1993
Roger L. Bishop (50)	Senior Vice President and Chief Operations and Information Officer (prior to joining us, he served as Senior Vice President to Brintech, Inc., a consulting firm in New Smyrna Beach, Florida, from April of 1996 to August of 1998 and was a Senior Consultant for Alex Sheshunoff Management Services, Inc., a consulting firm of Austin, Texas, from March of 1994 to April of 1996)	None	1998
James G. Campbell (43)	Senior Vice President (prior to joining us in 1999, he served as Regional Community Bank President of Firststar Bank, NA in Bowling Green, Kentucky, successor by merger in 1998 to Trans Financial, Inc. Prior to the merger, he served as Executive Vice President of Trans Financial, from 1995 to 1998)	None	1999

Patrick J. Rusnak
(36)

Vice President and Controller
(prior to joining United, he
was Senior Assistant Controller
of Trans Financial, Inc., a
bank holding company in Bowling
Green, Kentucky, from 1994 to
1998)

None

1998

None of the above officers is related to another, and there are no arrangements or understandings between them and any other person pursuant to which any of them was elected as an officer.

Principal Shareholders

The following table lists information concerning the beneficial ownership of our common stock at February 1, 2000, by (i) each person known to us to beneficially own more than 5% of the common stock, (ii) each director and executive officer, and (iii) all directors and executive officers as a group. Except as set forth below, the stockholders named below have sole voting and investment power with respect to all shares of common stock shown as beneficially owned by them.

Shareholder	Number of Shares Owned Beneficially	Percent of Class
Jimmy C. Tallent	166,036	1.97%
Billy M. Decker	137,722	1.63%
Thomas C. Gilliland	182,831	2.17%
Robert H. Blalock	41,260	*
Robert L. Head, Jr. Post Office Box 147, Blairsville, Georgia 30514	672,743	7.98%
Charles E. Hill	169,032	2.01%
Hoyt O. Holloway	48,085	*
Deral P. Horne	25,000	*
John R. Martin	57,633	*
Clarence W. Mason, Sr.	30,382	*
Zell B. Miller	1,000	*

W.C. Nelson, Jr. Post Office Box 127, Blairsville, Georgia 30514	672,622	7.98%
Charles E. Parks	102,259	1.21%
Tim Wallis	53,829	*
Christopher J. Bledsoe	22,933	*
Guy W. Freeman	40,018	*
All Directors and Executive Officers as a Group (19 persons)	2,427,235	28.80%

* -----
* Less than one percent.

Includes 10,000 shares beneficially owned by Mr. Tallent pursuant to debentures and 37,000 shares beneficially owned pursuant to stock options exercisable within 60 days of February 1, 2000.

Includes 10,000 shares beneficially owned by Mr. Decker pursuant to debentures and 13,600 shares beneficially owned pursuant to stock options exercisable within 60 days of February 1, 2000. Does not include 9,613 shares owned by Mr. Decker's wife, for which he disclaims beneficial ownership.

Includes 6,270 shares beneficially owned by Mr. Gilliland as custodian for his children, 10,000 shares beneficially owned pursuant to debentures and 22,200 shares beneficially owned pursuant to stock options exercisable within 60 days of February 1, 2000.

Includes 80 shares owned by Mr. Blalock's minor children and 30,993 shares owned by Blalock Insurance Agency, Inc., a company owned by Mr. Blalock.

Includes 96,555 shares beneficially owned by a trust over which Mr. Head has voting power and 10,000 shares owned pursuant to the 2006 Debentures. Does not include 18,465 shares owned by Mr. Head's wife, for which he disclaims beneficial ownership. Mr. Head's address is Post Office Box 147, Blairsville, Georgia 30514.

Includes 10,000 shares beneficially owned by Mr. Hill pursuant to debentures. Does not include 77,455 shares owned by Mr. Hill's wife, for which he disclaims beneficial ownership.

Includes 10,000 shares beneficially owned pursuant to debentures and 35,565 beneficially owned by Holloway Motors, Inc., a company owned by Mr. Holloway. Does not include 485 shares owned by Mr. Holloway's wife, for which he disclaims beneficial ownership.

Includes 10,000 shares beneficially owned by Mr. Horne pursuant to debentures. Does not include 1,920 shares owned by Mr. Horne's wife, for which he disclaims beneficial interest.

Includes 10,000 shares beneficially owned by Mr. Mason pursuant to the 2006 Debentures. Does not include 16,958 shares owned by Mr. Mason's wife, for which he disclaims beneficial ownership.

Includes 11,250 shares beneficially owned by a trust over which Mr. Nelson has voting power and 10,000 shares owned pursuant to debentures. Does not include 15,005 shares owned by Mr. Nelson's wife, for which he disclaims beneficial ownership. Mr. Nelson's address is Post Office Box 127, Blairsville, Georgia 30514.

Includes 10,000 shares beneficially owned by Mr. Parks pursuant to debentures.

Includes 6,000 shares beneficially owned by Mr. Bledsoe pursuant to debentures and 9,800 shares beneficially owned pursuant to stock options exercisable within 60 days of February 1, 2000.

Includes 6,000 shares beneficially owned by Mr. Freeman pursuant to debentures and 20,500 shares beneficially owned pursuant to stock options exercisable within 60 days of February 1, 2000.

Includes 106,500 shares beneficially owned pursuant to stock options exercisable within 60 days of February 1, 2000, and 112,000 shares beneficially owned pursuant to debentures.

Description of Securities

The following is a summary of certain provisions of the common stock, preferred stock, debentures, and trust preferred securities.

General

Our authorized capital stock consists of 10,000,000 shares of common stock, \$1.00 par value per share, and 10,000,000 shares of preferred stock, \$1.00 par value per share. As of March 1, 2000, 8,429,090 shares of our common stock, including 140,000 shares deemed outstanding pursuant to outstanding debentures and presently exercisable options to acquire 254,822 shares of our common stock, were issued and outstanding and no shares of preferred stock were issued and outstanding.

Preferred Stock

We are authorized to issue 10,000,000 shares of preferred stock, issuable in such series and bearing such voting, dividend, conversion, liquidation, and other rights and preferences as the Board of Directors may determine. The preferred stock can be issued for any lawful corporate purpose without further action by the shareholders. The issuance of any preferred stock having conversion rights might have the effect of diluting the interests of the other shareholders. Shares of preferred stock could be issued with such rights, privileges, and preferences as would deter a further tender or exchange offer or to discourage the acquisition of control of us. The Board of Directors presently has no plans to issue any preferred stock.

Common Stock

All voting rights are vested in the holders of the common stock. Each holder of common stock is entitled to one vote per share on any issue requiring a vote at any meeting. The shares do not have cumulative voting rights in the election of directors. All shares of common stock are entitled to share equally in such dividends as our Board of Directors may declare on our common stock from sources legally available therefor. The determination and declaration of dividends is within the discretion of our Board of Directors. Our common stock will be entitled to receive on a pro rata basis, after payment or provision for payment of all our debts and liabilities, all of our assets available for distribution, in cash or in kind. The shares of common stock do not have preemptive rights to subscribe to additional shares of common stock.

The outstanding shares of common stock are, and the shares of common stock to be issued by us in connection with the offering will be, duly authorized, validly issued, fully paid, and nonassessable.

Debentures

Debentures in the principal amount of \$3,500,000 which are due on December 31, 2006, are outstanding as of the date hereof. The debentures bear interest at the rate of one quarter of one percentage point over the prime rate per annum as quoted in The Wall Street Journal, payable on April 1, July 1, October 1, and January 1 of each year commencing on April 1, 1997, to holders of record at the close of business on the 15th day of the month immediately preceding the interest payment date. Interest is computed on the basis of the actual number of days elapsed in a year of 365 or 366 days, as applicable. Interest on the debentures is payable, at the option of our Board of Directors, in cash or in an additional debenture with the same terms as the debentures.

The debentures may be redeemed, in whole or in part from time to time on or after January 1, 1998, at our option upon at least 20 days and not more than 60 days notice, at a redemption price equal to 100% of the principal amount of the debentures to be redeemed plus interest accrued and unpaid as of the date of redemption.

The holder of any debentures not called for redemption will have the right, exercisable at any time up to December 31, 2006, to convert such debenture at the principal amount thereof into shares of our common stock at the conversion price of \$25 per share, subject to adjustment for stock splits and stock dividends.

The debentures are unsecured obligations and are subordinate in right of payment to all of our obligations to our other creditors, except obligations ranking on a parity with or junior to such debentures. The debentures were not issued pursuant to an indenture nor is there a trustee to act on behalf of debenture holders.

Trust Preferred Securities.

In July 1998, we created a Delaware statutory business trust, which issued \$21 million of guaranteed preferred beneficial interests to institutional investors. These securities represent guaranteed preferred beneficial interests in \$21.7 million principal amount of junior subordinated deferrable interest debentures issued by us to the business trust. Holders of the securities are entitled to receive preferential cumulative cash distributions accumulating from the date of their original issuance and payable semi-annually. The distribution rate, distribution payment dates, and other payment dates for the securities correspond to the interest rate, interest payment dates, and other payment dates for the debentures. For regulatory purposes, the securities are treated as Tier I capital. The debentures are the sole assets of the business trust and bear interest at 8.125% with a maturity date of July 15, 2028. We may redeem the debentures, and the business trust may redeem the securities, in whole or in part, on or after July 15, 2008. If the debentures and the securities are redeemed in part or in whole prior to January 1, 2008, the redemption price will include a premium ranging from 4.06% in 2008 to 0.41% in 2017.

Transfer Agent and Registrar

The Transfer Agent and Registrar for our common stock and debentures is SunTrust Bank, Atlanta, 58 Edgewood Avenue, Room 200, Atlanta, Georgia 30303.

Shares Eligible For Future Sale

Upon completion of the offering, there will be between 8,779,090 and 8,879,090 shares of common stock outstanding (including 254,822 shares issuable pursuant to presently exercisable options and 140,000 shares issuable upon conversion of outstanding debentures). All of the shares offered hereby will be freely transferable, without restriction, under the Securities Act of 1933, unless acquired by one of our affiliates (as that term is defined under the Securities Act). Sales of substantial amounts of shares in the limited trading market following the offering could adversely affect the market price of the common stock. Since such stock is not listed on a stock exchange or quoted in the over-the-counter market, no shares can be sold under Rule 144 promulgated under the Securities Act.

Pro Forma Consolidated Financial Statements
(Unaudited)

The following unaudited pro forma consolidated financial statements have been prepared from the historical results of operations of United and to give effect to the pending acquisition of North Point Bancshares, Inc. and Independent Bancshares, Inc. using the pooling of interests method of accounting. These statements should be read in conjunction with our historical consolidated financial statements, including the notes thereto. The pro forma combined results are not necessarily indicative of the combined results of future operations.

United Community Banks, Inc. Subsidiaries
Unaudited Pro Forma Consolidated Balance Sheet
December 31, 1999
(dollar amounts in thousands)

	Pending Mergers				Pro Forma Consolidated
	As Reported	Historical North Point	Historical Independent	Adjustments	
ASSETS					
Cash and due from banks	\$ 89,231	7,250	4,639		101,120
Federal funds sold	23,380	4,180	5,000		32,560
Cash and cash equivalents	112,611	11,430	9,639	--	133,680
Securities held to maturity (estimated fair values of \$3,784 and \$6,169)	--	3,762	7,226		10,988
Securities available for sale	534,503	25,372	18,834		578,709
Mortgage loans held for sale	6,326	--	--		6,326
Loans, net of unearned income	1,400,360	62,212	101,576		1,564,148
Less: Allowance for loan losses	(17,722)	(1,196)	(1,125)		(20,043)
Loans, net	1,382,638	61,016	100,451	--	1,544,105
Premises and equipment, net	47,365	2,746	5,543	--	55,654
Other assets	47,997	2,152	3,409		53,558
Total assets	\$ 2,131,440	106,478	145,102		2,383,020
LIABILITIES AND STOCKHOLDERS EQUITY					
Deposits:					
Demand	\$ 192,006	17,738	16,614		226,358
Interest bearing demand	328,815	26,991	38,333		394,139
Savings	73,953	5,350	5,169		84,472
Time	1,054,618	46,486	63,306		1,164,410
Total deposits	1,649,392	96,565	123,422	--	1,869,379
Accrued expenses and other liabilities	24,378	344	1,351		26,073
Federal funds purchased and repurchase agreements	31,812	389	--		32,201
Federal Home Loan Bank advances	287,572	--	6,707		294,279
Long-term debt and other borrowings	17,516	--	--		17,516
Convertible subordinated debentures	3,500	--	--		3,500
Guaranteed preferred beneficial interests in company's junior subordinated debentures (Trust Preferred Securities)	21,000	--	--		21,000
Total liabilities	2,035,170	97,298	131,480	--	2,263,948
Commitments and contingent liabilities:					
Redeemable common stock held by KSOP (44,432 shares outstanding)	--	--	577	--	577
Stockholders' Equity:					
Preferred stock	--	--	--	--	--
Common stock	8,034	2,142	1,948	(4,090)	9,812
Capital surplus	30,310	1,985	8,614	(10,599)	43,221
Retained earnings	66,606	5,629	2,822	75,057	
Accumulated other comprehensive income (loss)	(8,680)	(576)	(339)	--	(9,595)
Total stockholders' equity	96,270	9,180	13,045	--	118,495
Total liabilities and stockholders' equity	\$ 2,131,440	106,478	145,102	--	2,383,020
Outstanding common shares	8,034				9,812
Book value per common share	\$ 11.98				12.08

United Community Banks, Inc. And Subsidiaries
Unaudited Pro Forma Condensed Consolidated Statements of Income
For the Year Ended December 31, 1999
(dollar amounts in thousands)

United As Reported	Pending Mergers		Adjustments	Pro Forma Consolidated
	Historical North Point	Historical Independent		

Interest income	\$149,740	8,156	11,096		168,992
Interest expense	81,766	3,629	4,805		90,200
	-----	-----	-----	-----	-----
Net interest income	67,974	4,527	6,291	--	78,792
Provision for loan losses	5,104	620	242		5,966
	-----	-----	-----	-----	-----
Net interest income after provision for loan losses	62,870	3,907	6,049	--	72,826
Non-interest income	10,836	625	1,103		12,564
Non-interest expense	54,165	3,070	4,746		61,981
	-----	-----	-----	-----	-----
Income before income taxes	19,541	1,462	2,406	--	23,409
	-----	-----	-----	-----	-----
Income taxes	5,893	453	785		7,131
	-----	-----	-----	-----	-----
Net income	\$ 13,648	1,009	1,621	--	16,278
	=====	=====	=====	=====	=====
Basic earnings per share	\$ 1.70				1.66
Diluted earnings per share	\$ 1.66				1.63
Basic average shares outstanding	8,020				9,796
Diluted average shares outstanding	8,316				10,110

United Community Banks, Inc. And Subsidiaries
 Unaudited Pro Forma Condensed Consolidated Statements of Income
 For the Year Ended December 31, 1998
 (dollar amounts in thousands)

	United As Reported	Pending Mergers		Adjustments	Pro Forma Consolidated
		Historical North Point	Historical Independent		
Interest income	\$116,214	7,693	9,978		133,885
Interest expense	60,004	3,003	4,623		67,630
Net interest income	56,210	4,690	5,355	--	66,255
Provision for loan losses	2,612	200	202		3,014
Net interest income after provision for loan losses	53,598	4,490	5,153	--	63,241
Non-interest income	9,129	653	938		10,720
Non-interest expense	43,964	2,692	4,442		51,098
Income before income taxes	18,763	2,451	1,649	--	22,863
Income taxes	5,990	814	549		7,353
Net income	\$ 12,773	1,637	1,100	--	15,510
Basic earnings per share	\$ 1.60				1.59
Diluted earnings per share	\$ 1.57				1.56
Basic average shares outstanding	7,973				9,751
Diluted average shares outstanding	8,246				10,043

United Community Banks, Inc. And Subsidiaries
 Unaudited Pro Forma Condensed Consolidated Statements of Income
 For the Year Ended December 31, 1997
 (dollar amounts in thousands)

	United As Reported	Pending Mergers		Adjustments	Pro Forma Consolidated
		Historical North Point	Historical Independent		
Interest income	\$94,188	6,843	8,332		109,363
Interest expense	48,470	2,802	4,049		55,321
Net interest income	45,718	4,041	4,283	--	54,042
Provision for loan losses	2,814	175	262		3,251
Net interest income after provision for loan losses	42,904	3,866	4,021	--	50,791
Non-interest income	7,200	626	671		8,497
Non-interest expense	34,063	2,490	3,542		40,095
Income before income taxes	16,041	2,002	1,150	--	19,193
Income taxes	4,987	662	346		5,995
Net income	\$11,054	1,340	804	--	13,198
Basic earnings per share	\$ 1.42				1.41
Diluted earnings per share	\$ 1.40				1.40
Basic average shares outstanding	7,810				9,335
Diluted average shares outstanding	8,031				9,564

Legal Matters

The legality of the shares of common stock offered by this prospectus will be passed upon for us by Kilpatrick Stockton LLP, Atlanta, Georgia.

Experts

Our consolidated audited financial statements, incorporated into the registration statement of which this prospectus forms a part, have been incorporated in reliance upon the reports of Porter Keadle Moore, LLP, independent certified public accountants, and upon the authority of said firm as experts in accounting and auditing.

Where You Can Find More Information

This prospectus is part of a registration statement on Form S-3 that we have filed with the SEC covering the shares of common stock that we are offering. This prospectus does not contain all of the information presented in the registration statement, and you should refer to that registration statement with its exhibits for further information. Statements in this prospectus describing or summarizing any contract or other document are not complete, and you should review the copies of those documents filed as exhibits to the registration statement for more detail. You may read and copy the registration statement at the SEC's Public Reference Room at 450 Fifth Street, N.W., Washington, D.C. 20549. For information on the operation of the Public Reference Room, call the SEC at 1-800-SEC-0330. You can also inspect our registration statement on the Internet at the SEC's web site, <http://www.sec.gov>.

We are subject to certain informational reporting requirements of the Securities Exchange Act of 1934 and in accordance therewith files reports, proxy statements, and other information with the SEC. Such periodic reports, proxy statements and other information filed by us with the SEC can be inspected and copied at the public reference facilities maintained by the SEC's regional offices in New York (7 World Trade Center, Suite 1300, New York, New York 10048) and Chicago (Citicorp Center, 500 W. Madison, Suite 1400, Chicago, Illinois 60661), and copies of such material can be obtained from the public reference section of the SEC, 450 Fifth Street, N.W., Washington, D.C. 20549, or at the SEC's web site at <http://www.sec.gov>.

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No dealer, sales person, or other person has been authorized to give any information or to make any representations other than those contained in this prospectus, and, if given or made, such information or representations must not be relied upon as having been authorized by us. This prospectus does not

constitute an offer to sell or the solicitation of any offer to buy any security other than the securities to which it relates or an offer to sell or the solicitation of an offer to buy such securities in any circumstances in which such offer or solicitation is unlawful. Neither the delivery of this prospectus nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of United since the date hereof or that the information contained herein is correct as of any time subsequent to its date.

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A MINIMUM OF 350,000 AND A MAXIMUM OF
450,000 SHARES OF COMMON STOCK

UNITED COMMUNITY BANKS, INC.

PROSPECTUS

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_____, 2000

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 14. Other Expenses of Issuance and Distribution

The following sets forth the various expenses and costs expected to be incurred in connection with the sale and distribution of the securities being registered. All of the amounts shown are estimated except for the registration fees of the Securities and Exchange Commission:

Securities and Exchange Commission Registration Fee.....	\$	4,514.40
Broker/Dealer Fee		40,000.00
Blue Sky Fees*		8,000.00
Printing, Engraving, and Mailing Expenses*.....		9,250.00
Legal Fees and Expenses*.....		35,000.00
Accounting and Consulting Fees and Expenses*.....		18,500.00
Escrow Fees.....		6,000.00

Total.....	\$	121,264.40

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* Estimate

Item 15. Indemnification of Directors and Officers

Our Bylaws require us to indemnify and hold harmless our directors, officers, and agents against judgments, fines, penalties, amounts paid in settlement, and expenses, including attorney's fees, resulting from various types of legal actions or proceedings if the actions of the party being indemnified meet the standards of conduct specified therein. Determination concerning whether or not the applicable standard of conduct has been met can be made by (a) a disinterested majority of the Board of Directors, (b) independent legal counsel, (c) an affirmative vote of a majority of shares held by the shareholders. No indemnification may be made to or on behalf of a corporate director, officer, employee or agent (I) in connection with a proceeding by or in the right of the corporation in which such person was adjudged liable on the basis that personal benefit was improperly received by him. As provided under Georgia law, the liability of a director may not be eliminated or limited (a) for any appropriation, in violation of his duties, of any business opportunity of United, (b) for acts or omissions which involve intentional misconduct or a knowing violation of law, (c) for unlawful corporate distributions or (d) for any transaction from which the director received an improper benefit.

Our directors and officers are insured against losses arising from any claim against them as such for wrongful acts or omissions, subject to certain limitations.

Item 16. Exhibits and Financial Statement Schedules

Exhibit No.	Exhibit
1.1	Broker-Dealer Agreement between Wachovia Securities, Inc. and United Community Bank, Inc. dated March 31, 2000.
1.2	Escrow Agreement between United Community Banks, Inc. and SunTrust Bank, N.A., dated March 31, 2000.
2.1	Agreement and Plan of Reorganization dated March 3, 2000, between United Community Banks, Inc. and Independent Bancshares, Inc.
2.2	Agreement and Plan of Reorganization dated March 3, 2000, between United Community Banks, Inc. and North Point Bancshares, Inc.
4.1(a)	Junior Subordinated Indenture of United with The Chase Manhattan Bank, as Trustee, relating to the Junior Subordinated Debentures (included as Exhibit 4.1 to our Registration Statement on Form S-4, File No. 333-64911, filed with the Commission on September 30, 1998 (the "1998 S-4") and incorporated herein by reference).
4.1(b)	Form of Certificate of Junior Subordinated Debenture (included as Exhibit 4.2 to the 1998 S-4 previously filed with the Commission and incorporated herein by reference).
4.1(c)	Certificate of Trust of United Community Capital Trust (included as Exhibit 4.3 to the 1998 S-4 previously filed with the Commission and incorporated herein by reference).
4.1(d)	Amended and Restated Trust Agreement for United Community Capital Trust (included as Exhibit 4.4 to the 1998 S-4 previously filed with the Commission and incorporated herein by reference).
4.1(e)	Form of New Capital Security Certificate for United Community Capital Trust (included as Exhibit 4.5 to the 1998 S-4 previously filed with the Commission and incorporated herein by reference).
4.1(f)	Guarantee of United relating to the Capital Securities (included as Exhibit 4.6 to the 1998 S-4 previously filed with the Commission and incorporated herein by reference).
4.1(g)	Registration Rights Agreement (included as Exhibit 4.7 to the 1998 S-4 previously filed with the Commission and incorporated herein by reference).
4.1(h)	Form of Floating Rate Convertible Subordinated Payable In Kind Debenture due December 31, 2006 (included as Exhibit 4.2 to our Registration Statement on Form S-1, File No. 33-93278, filed with the Commission on June 8, 1995, and incorporated herein by reference).
4.1(i)	Form of Subscription Agreement (included as Exhibit A to our Form S-1, File No. 333-20887, filed with the Commission on January 31, 1997, and incorporated by reference).
4.2(a)	See Exhibits 3.1 and 3.2 for provisions of Articles of Incorporation and By-Laws, as amended, which define the rights of Shareholders.

5	Opinion of Kilpatrick Stockton LLP.
12.1	Computation of ratio of earnings to fixed charges (included as Exhibit 12.1 to the 1998 S-4 previously filed with the Commission and incorporated herein by reference).
23.1	Consent of Porter Keadle Moore, LLP
24.1	Power of Attorney of certain officers and directors of United (included on Signature Page)
27.1	Financial Data Schedule

* To be filed by amendment.

Item 17. Undertakings

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 SEC such indemnification is against public policy as expressed in the Securities 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 Securities Act and will be governed by the final adjudication of such issue.

Signatures

Pursuant to the requirements of the Securities Act of 1933, United has duly caused this Registration Statement on Form S-3 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Blairsville, State of Georgia, on the 31st day of March, 2000.

UNITED COMMUNITY BANKS, INC.

By: /s/ Jimmy C. Tallent
Jimmy C. Tallent
Title: President and Chief Executive Officer

Power of Attorney and Signatures

Know all men by these presents, that each person whose signature appears below constitutes and appoints Jimmy C. Tallent and Robert L. Head, or either of them, as attorney-in-fact, with each having the power of substitution, for him in any and all capacities, to sign any amendments to this Registration Statement on Form S-3 and to file the same, with exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, hereby ratifying and confirming all that each of said attorneys-in-fact, or his substitute or substitutes, may do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed below by the following persons on behalf of United in the capacities set forth and on the 31st day of March, 2000.

/s/ Jimmy C. Tallent
Jimmy C. Tallent
President, Chief Executive Officer,
and Director
(Principal Executive Officer)

/s/ Christopher J. Bledsoe
Christopher J. Bledsoe
Senior Vice President and Chief
Financial Officer
(Principal Financial Officer)

/s/ Patrick J. Rusnak
Patrick J. Rusnak
Vice President and Controller
(Principal Accounting Officer)

/s/ Robert L. Head, Jr.
Robert L. Head, Jr.
Chairman of the Board

/s/ Billy M. Decker
Billy M. Decker
Director

/s/ Thomas C. Gilliland
Thomas C. Gilliland
Director

/s/ Charles Hill
Charles Hill Director

/s/ Hoyt O. Holloway
Hoyt O. Holloway Director

/s/ P. Deral Horne
P. Deral Horne Director

/s/ John R. Martin
John R. Martin Director

/c/ Clarence William Mason, Sr.
Clarence William Mason, Sr. Director

/s/ Zell B. Miller
Zell B. Miller Director

/s/ W. C. Nelson, Jr.
W. C. Nelson, Jr. Director

/s/ Charles E. Parks
Charles E. Parks Director

/s/ Tim Wallis
Tim Wallis Director

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EXHIBIT INDEX

Exhibit No.	Description of Exhibit
1.1	Broker-Dealer Agreement between Wachovia Securities, Inc. and United Community Bank, Inc. dated March 31, 2000.
1.2	Escrow Agreement between United Community Banks, Inc. and SunTrust Bank, N.A., dated March 31, 2000.
5 and 23.2	-- Opinion and Consent of Kilpatrick Stockton LLP
23.2	-- Consent of Porter Keadle Moore, LLP

EXHIBIT A
UNITED COMMUNITY BANKS, INC.
59 Highway 515
P.O. Box 398
Blairsville, Georgia 30512

SUBSCRIPTION FOR COMMON STOCK

Gentlemen:

United Community Banks, Inc. (the "Company") is offering to sell shares of common stock (the "Shares") at a price of \$38.00 per share.

The undersigned hereby tenders this subscription for the purchase of the number of Shares set forth below, to United Community Banks, Inc., P.O. Box 398, Blairsville, Georgia 30514, Attention: Lois Rich. The undersigned has also enclosed a check, bank draft or money order which represents the full subscription price, payable to "SunTrust Bank as escrow agent for United Community Banks, Inc."

The Shares purchased by the undersigned shall be registered as specified below. If Shares are to be issued in more than one name, please specify whether ownership is to be as individual owner, tenants in common, joint tenants with right of survivorship, community property, etc. If Shares are to be held in joint ownership, all joint owners should sign this subscription. If Shares are to be issued in the name of one person for the benefit of another, please indicate whether registration should be as trustee or custodian for such other person.

The undersigned certifies, acknowledges, and agrees that:

1. The undersigned has received a copy of the Company's Prospectus and has read and considered the Prospectus, and by executing this subscription agreement, the undersigned acknowledges and agrees to all the terms and conditions of the offering as described in the Prospectus and all the terms and conditions of this subscription. The subscriber by executing this subscription is not waiving any rights available under applicable federal or state securities laws.

2. A subscription is not binding until accepted by the Company. The Company reserves the right to accept or reject a subscription, in whole or in part, in its sole discretion.

3. The undersigned acknowledges that there is no public market for the Shares, nor is a public market expected to develop after this offering.

4. The undersigned represents that he/she is (i) a resident of the State of Georgia, (ii) a resident of the State of North Carolina, or (iii) a resident of the State of Tennessee.

IN WITNESS WHEREOF, the undersigned has executed this subscription on the date set forth below and has returned the subscription, with the full subscription price for the Shares, to the Company.

Date: _____, 2000

Signature of Subscriber

Number of Shares Subscribed
for (at \$____ per Share) _____

Signature of Subscriber

Total Subscription Price \$ _____

Print Name(s) in which
Shares are to be Registered

Home Address and Personal Information about Person in whose Name the Shares are to be Registered:

Street Address

City/State/Zip Code

Telephone Number

(continued on next page)

YOU MUST COMPLETE, SIGN AND DATE THIS FORM AND SIGN AND DATE THE FORM W-9 BELOW. The Form W-9 is used by the Internal Revenue Service to certify social security and tax identification numbers. Please note that the Company may be required to withhold 31% of any dividend or cash payment made to an individual who has not certified his social security number through a Form W-9.

SUBSTITUTE
FORM W-9
Department of the Treasury
Internal Revenue Service

Part 1 - PLEASE PROVIDE YOUR TIN IN THE
BOX AT RIGHT AND CERTIFY BY SIGNING AND
DATING BELOW

Social security number

OR

Employer identification number

Part 2 - Check the box if you are NOT
subject to backup withholding under the
provisions of section 3406(a)(1)(C) of the
Internal Revenue Code because (1) you have
not been notified that you are subject to
backup withholding as a result of failure
to report all interest or dividends or (2)
the Internal Revenue Service has notified
you that you are no longer subject to
backup withholding.

Payer's Request for Taxpayer
Identification Number (TIN)

CERTIFICATION -- UNDER THE PENALTIES OF PERJURY I
CERTIFY THAT THE INFORMATION ON THIS FORM
IS TRUE, CORRECT AND COMPLETE

Part 3 -
Awaiting TIN

/ /

SIGNATURE

DATE

ESCROW AGREEMENT

THIS ESCROW AGREEMENT is entered into the ____ day of _____, 2000, by and among United Community Banks, Inc., a Georgia corporation, ("United"), Wachovia Securities, Inc., a North Carolina corporation ("WSI") and SunTrust Bank, a Georgia state chartered bank, as Escrow Agent ("Escrow Agent").

WHEREAS, United contemplates a public offering of a minimum of 350,000 shares (the "Minimum Purchase") up to a maximum of 450,000 shares of its common stock, par value \$1.00 per share (the "Common Stock") at a public offering price of \$38.00 per share (the "Offering"); and

WHEREAS, in connection with the Offering, United has filed a Registration Statement on Form S-3 (File No. 333-_____) with the Securities & Exchange Commission (the "Registration Statement"); and

WHEREAS, pursuant to a Broker Dealer Agreement dated March 31, 2000, by and between United and WSI (the "Broker Dealer Agreement"), WSI agreed to act as a sponsoring Dealer in connection with the sale of Common Stock to investors in the State of North Carolina (the "NC Investors"); and

WHEREAS, under the terms of the Registration Statement, each investor in the Offering (each an "Investor" and cumulatively the "Investors") will be required to submit a subscription agreement for shares of Common Stock (cumulatively, the "Subscription Agreements"), along with the aggregate purchase price for shares of Common Stock subscribed for ("Subscription Proceeds" or "Fund"); and

WHEREAS, the parties intend that Escrow Agent receive the Subscription Agreements and the Subscription Proceeds from the Investors, and hold and distribute such Subscription Agreements and Subscription Proceeds in accordance with the terms and conditions set forth herein; and

WHEREAS, if subscriptions for the Minimum Purchase are not received and accepted by United by the specific date described in, or that date as extended pursuant to, the Registration Statement (the "Offering Termination Date"), all Subscription Proceeds are to be returned to each Investor;

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements contained herein, the parties hereto agree as follows:

1. Appointment of Escrow Agent. (a) United hereby appoints Escrow Agent

for the purpose of holding the Subscription Agreements and Subscription Proceeds in accordance with the terms and conditions contained herein. Escrow Agent hereby accepts such appointment.

(b) Investors will be instructed to remit their Subscription Agreements and Subscription Proceeds (in the form of check, bank draft or money order payable to SunTrust Bank, as escrow agent for United Community Banks, Inc.) directly to United Community Banks, Inc. and United will promptly send Subscription Proceeds to SunTrust Bank.

2. Disposition. (a) Within one business day after receipt by United or

WSI of any Subscription Proceeds, it will forward those proceeds to Escrow Agent.

(b) Within one (1) business day of United's receipt of any Subscription Agreements for any NC Investor, it will forward that Subscription Agreement to WSI.

(c) Upon receipt of a Subscription Agreement, United shall determine whether to accept or reject such Subscription Agreement, and shall notify Escrow Agent and WSI (if it is a NC Investor) in writing of same. Within two (2) business days of United's notice of rejection, United shall promptly return to the Investor who executed the rejected Subscription Agreement such Subscription Agreement and will direct the Escrow Agent to refund the amount tendered therewith.

(d) Upon receipt by Escrow Agent prior to the Offering Termination Date of Subscription Agreements and Subscription Proceeds for a Minimum Purchase which have been accepted in writing by United, the escrow will terminate and Escrow Agent shall (i) within two (2) business days of such receipt forward all Subscription Proceeds then held by it to United; and (ii) after WSI or United notifies Escrow Agent that the Minimum Purchase has been met, thereafter any additional proceeds shall be disbursed to United upon the written direction of United.

(e) In the event that on the Offering Termination Date, Escrow Agent is not in receipt of Subscription Proceeds for the Minimum Purchase which have been accepted in writing by United, Escrow Agent shall, after notification by United or WSI in writing of same, terminate the escrow and Escrow Agent shall promptly return all Subscription Proceeds delivered to it to each Investor and United will supply SunTrust with Subscription Agreements containing the addresses of the Investors.

(f) Escrow Agent shall invest any Subscription Proceeds received from Investors in short-term obligations of the United States government, certificates of deposit issued by SunTrust Bank or the SunTrust Bank STI Classic Government Money Market Fund as may be directed by United in writing, until termination of the escrow. In the absence of written directions, SunTrust will invest the Subscription Proceeds in the SunTrust Bank STI Classic Government Money Market Fund. United will be entitled to all interest earned on the escrow.

3. Fees. United agrees to compensate Escrow Agent in accordance with

its schedule for fees attached hereto as Exhibit A.

4. Termination of Escrow Funds; Payment of Interest. The Escrow

Agreement will terminate on the Offering Termination Date. United hereby agrees to provide Escrow Agent advance confirmation of the Offering Termination Date. Within two (2) business days of Escrow Agent's receipt of such notice, Escrow Agent shall forward to United all interest actually earned on Subscription Proceeds then held by Escrow Agent.

5. Legal Action. Escrow Agent shall be under no duty to take any legal

action in connection with this Agreement or towards its enforcement, or to appear, prosecute or defend any action or legal proceeding that would result in or might require it to incur any cost, expense, loss or liability, unless it shall have been indemnified with respect thereto in accordance with Paragraph 6 of this Agreement.

6. Indemnification. (a) Escrow Agent undertakes to perform only such

duties as are expressly set forth herein, and no additional duties or obligations shall be implied hereunder. In performing its duties under this Agreement, or upon the claimed failure to perform any of its duties hereunder, Escrow Agent shall not be liable to anyone for any damages, losses or expenses which may be incurred as a result of Escrow Agent so acting or failing to so act; provided, however, Escrow Agent shall not be relieved from liability for damages arising out of its proven gross negligence or willful misconduct under this Agreement. Escrow Agent shall in no event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel, which may be counsel to any party hereto, given with respect to any question relating to the duties and responsibilities of Escrow Agent hereunder or (ii) any action taken or omitted to be taken in reliance upon any instrument delivered to Escrow Agent and believed by it to be genuine and to have been signed or presented by the proper party or parties.

(b) United warrants to and agrees with Escrow Agent that, unless otherwise expressly set forth in this Agreement, there is no security interest in the Fund or any part of the Fund; no financing statement under the Uniform Commercial Code of any jurisdiction is on file in any jurisdiction claiming a security interest in or describing, whether specifically or generally, the Fund or any part of the Fund; and the Escrow Agent shall have no responsibility at any time to ascertain whether or not any security interest exists in the Fund or any part of the Fund or to file any financing statement under the Uniform Commercial Code of any jurisdiction with respect to the Fund or any part thereof.

(c) As an additional consideration for and as an inducement for Escrow Agent to act hereunder, it is understood and agreed that, in the event of any disagreement between the parties to this Agreement or among them or any other person(s) resulting in adverse claims and demands being made in connection with or for any money or other property involved in or affected by this Agreement, Escrow Agent shall be entitled, at the option of Escrow Agent, to refuse to comply with the demands of such parties, or any of such parties, so long as such disagreement shall continue. In such event, Escrow Agent shall make no delivery or other disposition of the Fund or any part of such Fund. Anything herein to the contrary notwithstanding, Escrow Agent shall not be or become liable to such parties or any of them for the failure of Escrow Agent to comply with the conflicting or adverse demands of such parties or any of such parties.

Escrow Agent shall be entitled to continue to refrain and refuse to deliver or otherwise dispose of the Fund or any part thereof or to otherwise act hereunder, as stated above, unless and until:

(1) the rights of such parties have been finally settled by binding arbitration or duly adjudicated in a court having jurisdiction of the parties and the Fund; or

(2) the parties have reached an agreement resolving their differences and have notified Escrow Agent in writing of such agreement and have provided Escrow Agent with indemnity satisfactory to Escrow Agent against any liability, claims or damages resulting from compliance by Escrow Agent with such agreement.

In the event of a disagreement between such parties as described above, Escrow Agent shall have the right, in addition to the rights described above and at the option of Escrow Agent, to tender into the registry or custody of any court having jurisdiction, all money and property comprising the Fund and may take such other legal action as may be appropriate or necessary, in the opinion of Escrow Agent. Upon such tender, the parties hereto agree that Escrow Agent shall be discharged from all further duties under this Agreement; provided, however, that the filing of any such legal proceedings shall not deprive Escrow Agent of its compensation hereunder earned prior to such filing and discharge of Escrow Agent of its duties hereunder.

(d) United agrees to pay Escrow Agent for its ordinary services hereunder the fees determined in accordance with and payable as specified in the Schedule of Fees set forth in Exhibit A attached hereto and made a part hereof. In addition, United agrees to pay to Escrow Agent its expenses incurred in connection with this Agreement, including but not limited to the actual cost of legal services in the event Escrow Agent deems it necessary to retain counsel. Such expenses shall be paid to Escrow Agent within 10 days following receipt by United of a written statement setting forth such expenses.

United agrees that, in the event any controversy arises under or in connection with this Agreement or the Fund or Escrow Agent is made a party to or intervenes in any litigation pertaining to this Agreement or the Fund, to pay to Escrow Agent reasonable compensation for its extraordinary services and to reimburse Escrow Agent for all costs and expenses associated with such controversy or litigation.

As security for all fees and expense to Escrow Agent hereunder and any and all losses, claims, damages, liabilities and expenses incurred by Escrow Agent in connection with its acceptance of appointment hereunder or with the performance of its obligations under this Agreement and to secure the obligation of United to indemnify Escrow Agent as provided herein, Escrow Agent is hereby granted a security interest in and a lien upon the Fund, which security interest and lien shall be prior to all other security interests, liens or claims against the Fund or any part thereof.

(e) Escrow Agent may resign at any time from its obligations under this Agreement by providing written notice to the parties hereto. Such resignation shall be effective on the date set forth in such written notice which shall be no earlier than 10 days after such written notice has been given. In the event no successor escrow agent has been appointed on or prior to the date such resignation is to become effective, Escrow Agent shall be entitled to tender into the custody of a court of competent jurisdiction all assets then held by it hereunder and shall thereupon be relieved of all further duties and obligations under this Agreement. Escrow Agent shall have no responsibility for the appointment of a successor escrow agent hereunder.

(f) Escrow Agent shall have no obligation to take any legal action in connection with this Agreement or towards its enforcement, or to appear in, prosecute or defend any action or legal proceeding which would or might involve it in any cost, expense, loss or liability unless security and indemnity, as provided in this paragraph, shall be furnished.

United agrees to indemnify Escrow Agent and its officers, directors, employees and agents and save Escrow Agent and its officers, directors, employees and agents harmless from and against any and all Claims (as hereinafter defined) and Losses (as hereinafter defined) which may be incurred by Escrow Agent or any of such officers, directors, employees or agents as a result of Claims asserted against Escrow Agent or any of such officers, directors, employees or agents as a result of or in connection with Escrow Agent's capacity as such under this Agreement by any person or entity. For the purposes hereof, the term "Claims" shall mean all claims, lawsuits, causes of action or other legal actions and proceedings of whatever nature brought against (whether by way of direct action, counterclaim, cross action or impleader) Escrow Agent or any such officer, director, employee or agent, even if groundless, false or fraudulent, so long as the claim, lawsuit, cause of action or other legal action or proceeding is alleged or determined, directly or indirectly, to arise out of, result from, relate to or be based upon, in whole or in part: (a) the acts or omissions of United, (b) the appointment of Escrow Agent as escrow agent under this Agreement, or (c) the performance by Escrow Agent of its powers and duties under this Agreement; and the term "Losses" shall mean losses, costs, damages, expenses, judgments and liabilities of whatever nature (including but not limited to attorneys', accountants' and other professionals' fees, litigation and court costs and expenses and amounts paid in settlement), directly or indirectly resulting from, arising out of or relating to one or more Claims. Upon the written request of Escrow Agent or any such officer, director, employee or agent (each referred to hereinafter as an "Indemnified Party"), United agrees to assume the investigation and defense of any Claim, including the employment of counsel acceptable to the applicable Indemnified Party and the payment of all expenses related thereto and, notwithstanding any such assumption, the Indemnified Party shall have the right, and United agrees to pay the cost and expense thereof, to employ separate counsel with respect to any such Claim and participate in the investigation and defense thereof in the event that such Indemnified Party shall have been advised by counsel that there may be one or more legal defenses available to such Indemnified Party which are different from or additional to those available to United. United hereby agrees that the indemnifications and protections afforded Escrow Agent in this section shall survive the termination of the Agreement.

In order to induce and as partial consideration for Escrow Agent's acceptance of this Agreement, United or WSI acknowledge that Escrow Agent is serving as escrow agent for the limited purposes set forth herein and each represent, covenant and warrant to Escrow Agent that no statement or representation, whether oral or in writing, has been or will be made to any prospective subscribers for any of the Common Stock to the effect that Escrow Agent has investigated the desirability or advisability of investment in the Common Stock or approved, endorsed or passed upon the merits of such investment or is otherwise involved in any manner with the transactions or events contemplated in the Parties' disclosure statements or subscription agreements, other than as Escrow Agent under this Agreement. It is further agreed that no party shall in any way use the name "SunTrust Bank" or "SunTrust Banks, Inc." in any sales presentation or literature except in the context of the duties of the Escrow Agent as escrow agent of the offering of the Common Stock in the strictest sense. Any breach or violation of the paragraph shall be grounds for immediate termination of the Agreement by Escrow Agent in accordance with the terms and provisions set forth herein.

Without limitation to any release, indemnification or hold harmless provision in favor of Escrow Agent as elsewhere provided in this Agreement, United covenants and agrees to indemnify Escrow Agent and its officers, directors, employees and agents and to hold Escrow Agent and such officers, directors, employees and agents harmless from and against all liability, cost, losses and expenses, including but not limited to attorneys' fees and expenses which are suffered or incurred by Escrow Agent or any such officer, director, employee or agent as a direct or indirect result of the threat or the commencement of any claim or proceeding against Escrow Agent or any such officer, director, employee or agent based in whole or in part upon the allegation of a misrepresentation or an omission of a material or significant fact in connection with the sale or subscription of any one or more of the Common Stock. Escrow Agent shall have no responsibility for approving or accepting on behalf of United any proceeds delivered to it hereunder, nor shall Escrow Agent be responsible for authorizing issuance of the Common Stock or for determining the qualification of any purchaser or the accuracy of the information contained in the Parties' disclosure statements or subscription agreements.

7. Interpleader. If the parties at any time are in disagreement about -----
the interpretation of this Agreement, or the rights and obligations hereunder, or the propriety of any action contemplated by the Escrow Agent hereunder, the Escrow Agent may, at its sole discretion, file an action in interpleader to resolve said disagreement. The Escrow Agent shall be indemnified by United for all costs, including reasonable attorney's fees, in connection with the aforesaid interpleader action, and shall be fully protected by United in suspending all or a part of its activities under this Agreement until a final judgment in the interpleader action is received.

8. Notices. All notices and other communications shall be in writing -----
and shall be deemed to have been given immediately if delivered personally, on receipt of facsimile transmission with original mailed via First Class Mail (provided such receipt is confirmed by the recipient), or five days after mailing by registered or certified mail (return receipt requested), postage prepaid to the parties to this Agreement at the following addresses or at such other address for a party as shall be specified by like notice:

(a) To United:

United Community Banks, Inc.
P.O. Box 398
Blairsville, Georgia 30512
Attn.: Christopher Bledsoe, Chief Financial Officer
Telephone: (706) 745-2151
Telecopy: (706) 745-4865
EIN: 58-1807304

(b) To WSI:

Wachovia Securities, Inc.
IJL Financial Center
201 North Tryon Street
Charlotte, North Carolina 28202
Attn.: James H. Glen, Jr.
Telephone: (704) 379-9217
Telecopy: (704) 379-9025

(c) To Escrow Agent:

SunTrust Bank
Corporate Trust Department
424 Church Street, 6th Floor
Nashville, Tennessee 37219
Attn.: Donna Williams
Telephone: (615) 748-4745
Telecopy: (615) 748-5331

9. Execution and Counterparts. This Agreement may be executed in any

number of counterparts, each of which shall be deemed an original, and all of
which shall constitute a single instrument.

10. Entire Agreement. This Agreement supersedes all prior discussions

and agreements between the parties with respect to the subject matter hereof,
and this Agreement contains the sole and entire agreement between the parties
with respect to the matters covered hereby and thereby. This Agreement shall not
be altered or amended, except by an instrument in writing, signed by or on
behalf of the parties hereto.

11. Governing Law. The validity and effect of this Agreement shall be

governed by and construed and enforced in accordance with the laws of the State
of Tennessee.

12. Successors and Assigns. Except for resignations permitted under the

terms hereof, this Agreement may not be assigned to any party hereto without the prior written consent of the other parties hereto. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, legal representatives, successors and permitted assigns.

13. Partial Invalidity and Severability. All rights and restrictions

contained herein may be exercised and may be applicable and binding only to the extent that they do not violate any applicable laws and are intended to be limited to the extent necessary to render this Agreement legal, valid and enforceable. If any terms of this Agreement shall be held to be illegal, invalid or unenforceable by a court of competent jurisdiction or by a duly constituted arbitral tribunal, it is the intent of the parties that the remaining terms hereof shall constitute their Agreement with respect to the subject matter hereof and all such remaining terms shall remain in full force and effect.

14. Headings. The headings as to contents of particular paragraphs in

this Agreement are inserted only for convenience and shall not be construed as a part of this Agreement or as a limitation on the scope of any terms or provisions of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement under seal and caused this Agreement to be executed under seal by their duly authorized officers as of the day and year first above written.

(CORPORATE SEAL)

UNITED COMMUNITY BANKS, INC.

Attest: /s/ Billy M. Decker
Secretary

By: /s/ Christopher J. Bledsoe
Christopher J. Bledsoe
Chief Financial Officer

(CORPORATE SEAL)

WACHOVIA SECURITIES, INC.

Attest: _____
Secretary

By: /s/ Joe H. Glen, Jr.

(Signatures continued on following page)

(Signatures continued from previous page)

ESCROW AGENT:

SUNTRUST BANK

(BANK SEAL)

By: _____

Name: _____

Title: _____

EXHIBIT A

FEEES

Common Stock

BROKER-DEALER AGREEMENT

March 31, 2000

Wachovia Securities, Inc.
 IJL Financial Center
 201 North Tryon Street, Suite 2300
 Charlotte, North Carolina 28202

Dear Sirs:

SECTION 1. Broker-Dealer Agreement. United Community Banks, Inc., a Georgia corporation (the "Company") proposes to issue, offer and sell a minimum of 350,000 shares and a maximum of 450,000 shares of its authorized but unissued Common Stock, par value \$1.00 per share (the "Common Shares") and intends to offer a portion of those securities in the State of North Carolina. In order that its offering meets the requirements of Chapter 78A of the North Carolina General Statutes ("Chapter 78A"), the Company must obtain the sponsorship of its offering by a North Carolina registered dealer.

Accordingly, the Company hereby appoints Wachovia Securities, Inc. ("WSI") as a sponsoring dealer and WSI accepts appointment under the provisions of Section 18 NCAC 6.1305 of the North Carolina Administrative Code. In that capacity, WSI will act as a sponsoring dealer for the account of the Company in connection with a public offering of the Common Shares in the State of North Carolina after the effective date of the registration statement hereinafter referred to. WSI will act as dealer on behalf of the Company in connection with effecting the offer and sale of the Common Shares in North Carolina to residents of North Carolina. In North Carolina, the sales of the Common Shares are to be made for the account of the Company at a price of \$38.00 per share, unless and until the Company establishes another price. WSI has not and will not be involved with determining the price of the shares to be sold in the public offering and shall have no financial commitment to purchase any of the Common Shares.

SECTION 2. Representations and Warranties of the Company. The Company hereby represents and warrants to WSI that:

(a) A registration statement on Form S-3 (the "Registration Statement") has been or will be filed with the Securities and Exchange Commission (the "Commission") with respect to the Common Shares and has been prepared by the Company in conformity with the requirements of the Securities Act of 1933, as amended (the "Act"), and the Commission's rules and regulations (the "Rules and Regulations"). The Company has

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prepared and has filed or proposes to file prior to the effective date of such registration statement an amendment or amendments to such registration statement, which amendment or amendments have been or will be similarly prepared. There have been delivered to WSI a copy of such registration statement and amendments, as to which the prospectus (the "Prospectus") is a part, together with a copy of each exhibit filed therewith. The Company will next file with the Commission one of the following: (i) prior to effectiveness of such registration statement, a further amendment thereto, including the form of final Prospectus, or (ii) a final Prospectus in accordance with Rule 424(b) of the Rules and Regulations.

(b) The Commission has not issued any order preventing or suspending the use of the Prospectus and the Prospectus conforms in all material respects to the requirements of the Act and the Rules and Regulations and, as of its date, does not include any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; and at the time the Registration Statement becomes effective, and at all times subsequent thereto up to and including each Closing Date hereinafter mentioned, the Registration Statement and the Prospectus, and any amendments or supplements thereto, will contain all material statements and information required to be included therein by the Act and the Rules and Regulations and will in all material respects conform to the requirements of the Act and the Rules and Regulations, and neither the Registration Statement nor the Prospectus, nor any amendment or supplement thereto, will include any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; provided, however, no representation or warranty contained in this subsection 2(b) shall be applicable to information contained in or omitted from the Registration Statement, the Prospectus or any such amendment or supplement in reliance upon and in conformity with written information furnished to the Company by or on behalf of WSI, specifically for use in the preparation thereof.

(c) The Company is current in all filings of reports, financial statements and schedule requirements to be made with the Commission under the Securities Exchange Act of 1934 (the "Exchange Act").

(d) The Company and each of United Community Bank ("United"),

Carolina Community Bank ("Carolina"), Peoples Bank of Fannin County ("Fannin"), Towns County Bank ("Towns"), White County Bank ("White"), First Clayton Bank and Trust ("First Clayton"), Bank of Adairsville ("Adairsville"), and 1st Floyd Bank ("Floyd"), (United, Carolina, Fannin, Towns, White, First Clayton, Adairsville and Floyd are collectively referred to herein as the "Subsidiaries") have been duly organized and are validly existing and in good standing under the laws of their respective jurisdictions of organization, with full power and authority to own and lease their properties and conduct their respective businesses as described in the Prospectus; except as disclosed in the Prospectus and the financial statements of the

Company, the Company, directly or indirectly, owns all of the outstanding capital stock of its Subsidiaries free and clear of all claims, liens, charges and encumbrances; the Company and each of its Subsidiaries are in possession of and operating in compliance with all banking, insurance and other applicable approvals, authorizations, licenses, permits, consents, certificates and orders material to the conduct of their respective businesses, all of which are valid and in full force and effect. The deposits in each of the Company's banking subsidiaries are insured by the Federal Deposit Insurance Corporation.

(e) The Company has authorized and outstanding capital stock as set forth under the heading "Capitalization" in the Prospectus; the issued and outstanding Common Shares have been duly authorized and validly issued, are fully paid and nonassessable, have been issued in compliance with all federal and state securities laws, were not issued in violation of or subject to any preemptive rights or other rights to subscribe for or purchase securities, and conform to the description thereof contained in the Prospectus. All issued and outstanding shares of capital stock of each Subsidiary have been duly authorized and validly issued, are fully paid and nonassessable and are owned directly or indirectly by the Company. Except as disclosed in or contemplated by the Prospectus and the financial statements of the Company and the related notes thereto included in the Prospectus, neither the Company nor any Subsidiary has outstanding any options to purchase, or any preemptive rights or other rights to subscribe for or to purchase, any securities or obligations convertible into, or any contracts or commitments to issue or sell, shares of its capital stock, or any such options, rights, convertible securities or obligations. The description of the Company's stock option, stock bonus and other stock plans or arrangements, and the options or other rights granted and exercised thereunder, set forth in the Prospectus accurately and fairly presents the information required to be shown with respect to such plans, arrangements, options and rights.

(f) The Common Shares to be sold by the Company have been duly authorized and, when issued, delivered and paid for in the manner set forth in this Agreement, will be duly authorized, validly issued, fully paid and nonassessable, and will conform to the description thereof contained in the Prospectus. No preemptive rights or other rights to subscribe for or purchase exist with respect to the issuance and sale of the Common Shares by the Company pursuant to this Agreement. No shareholder of the Company has any right which has not been waived to require the Company to register the sale of any share owned by such shareholder under the Act in the public offering contemplated by this Agreement. No further approval or authority of the shareholders or the Board of Directors of the Company will be required for the issuance and sale of the Common Shares to be sold by the Company as contemplated herein.

(g) The Company has full legal right, power and authority to enter into this Agreement and perform the transactions contemplated hereby. This Agreement has been duly authorized, executed and delivered by the Company and constitutes a valid and binding obligation of the Company in accordance with its terms, except to the extent enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization or other laws affecting the rights of creditors

generally and by principles of equity, whether considered at law or equity. The making and performance of this Agreement by the Company and the consummation of the transactions herein contemplated will not violate any provisions of the articles of incorporation or bylaws, or other organizational documents, of the Company and will not conflict with, result in the breach or violation of, or constitute, either by itself or upon notice or the passage of time or both, a default under any agreement, mortgage, deed of trust, lease, franchise, license, indenture, permit or other instrument to which the Company is a party or by which the Company or any of its properties may be bound or affected, any statute or any authorization, judgment, decree, order, rule or regulation of any court or any regulatory body, administrative agency or other governmental body applicable to the Company or any of its properties. No consent, approval, authorization or other order of any court, regulatory body, administrative agency or other governmental body is required for the execution and delivery of this Agreement or the consummation of the transactions contemplated by this Agreement, except for compliance with the Act and Blue Sky securities laws applicable to the public offering of the Common Shares by the Company.

(h) Porter Keadle Moore, LLP, who have expressed their opinion with respect to the financial statements and schedules filed with the Commission as a part of the Registration Statement and included in the Prospectus and in the Registration Statement, or incorporated by reference therein, and are independent accountants as required by the Act and the Rules and Regulations.

(i) The combined financial statements and schedules of the Company and the related notes thereto included in the Registration Statement and the Prospectus present fairly the financial position of the Company as of the respective dates of such financial statements and schedules, and the results of operations and changes in financial position of the Company for the respective periods covered thereby. Such statements, schedules and related notes have been prepared in accordance with generally accepted accounting principles applied on a consistent basis as certified by Porter Keadle Moore, LLP. No other financial statements or schedules are required to be included in the Registration Statement. The selected financial data set forth in the Prospectus under the captions "Capitalization" and "Pro Forma Confidential Financial Statements" fairly present the information set forth therein on the basis stated in the Registration Statement. The pro forma financial information (including the related notes) included in the Prospectus complies as to form in all material respects to the applicable accounting requirements of the Act and the Rules and Regulations, and management of the Company believes that the assumptions underlying the pro forma adjustments are reasonable. Such pro forma adjustments have been properly applied to the historical amounts in the compilation of the information and such information fairly represents with respect to the Company the financial position, results of operations and other information purported to be shown therein at the respective dates and for the respective periods specified.

(j) The Company has disclosed in the Registration Statement and Prospectus all information it is required to disclose therein, and such Registration Statement and Prospectus are true and correct in every material respect and do not fail to disclose any information which if not disclosed would cause the Registration Statement and/or Prospectus to be materially misleading in any respect.

(k) The Company and each of its Subsidiaries maintains a system of internal accounting controls sufficient to provide reasonable assurances that (i) transactions are executed in accordance with management's general or specific authorization, (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain accountability for assets, (iii) access to assets is permitted only in accordance with management's general or specific authorization, and (iv) the recorded accountability for assets is compared with existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

SECTION 3. Representations and Warranties of WSI. WSI hereby represents and warrants to the Company that:

(a) The information set forth in the Prospectus that was furnished to the Company by and on behalf of WSI for use in connection with the preparation of the Registration Statement and the Prospectus is correct in all material respects;

(b) WSI is registered as a dealer under the requirements of Chapter 78A; and

(c) WSI will make all necessary filings with the National Association of Securities Dealers, Inc. (the "NASD") in connection with its services provided hereunder.

SECTION 4. Covenants of the Company. The Company covenants and agrees that:

(a) The Company will use its best efforts to cause the Registration Statement and any amendment thereof, if not effective at the time and date that this Agreement is executed and delivered by the parties hereto, to become effective. WSI will have the opportunity to review and approve the Registration Statement and any amendment thereto. The Company will promptly advise WSI in writing (i) of the receipt of any comments of the Commission, (ii) of any request of the Commission for amendment of or supplement to the Registration Statement (either before or after it becomes effective) or the Prospectus or for additional information, (iii) when the Registration Statement shall have become effective, and (iv) of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or of the institution of any proceedings for that purpose. If the Commission shall enter any such stop order at any time, the Company will use its best efforts to obtain the lifting of such order at the earliest possible moment. The Company will not file any amendment or

supplement to the Registration Statement (either before or after it becomes effective) or the Prospectus of which WSI has not been furnished with a copy a reasonable time prior to such filing or to which WSI reasonably objects or which is not in compliance with the Act and the Rules and Regulations.

(b) The Company will prepare and file with the Commission, promptly upon WSI's request, any amendment or supplements to the Registration Statement or the Prospectus which in WSI's judgment may be necessary or advisable to enable WSI to continue the distribution of the Common Shares, and will use its best efforts to cause the same to become effective as promptly as possible. In addition, the Company will assist WSI in connection with WSI's filings with the NASD. The Company covenants that it will not commence the offering until such time as WSI has received any required approvals from the NASD.

(c) If at any time within the nine-month period referred to in Section 10(a)(3) of the Act during which a prospectus relating to the Common Shares is required to be delivered under the Act any event occurs, as a result of which the Prospectus, including any amendments or supplements, would include an untrue statement of a material fact, or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading, or if it is necessary at any time to amend the Prospectus, including any amendments or supplements, to comply with the Act or the Rules and Regulations, the Company will promptly advise WSI thereof and will promptly prepare and file with the Commission, at its own expense, an amendment or supplement which will correct such statement or omission or an amendment or supplement which will effect such compliance and will use its best efforts to cause the same to become effective as soon as possible; and, in case WSI is required to deliver a prospectus after such nine-month period, the Company upon request, but at the expense of WSI, will promptly prepare such amendment or amendments to the Registration Statement and such Prospectus or Prospectuses as may be necessary to permit compliance with the requirements of Section 10(a)(3) of the Act.

(d) The Company will timely file such reports pursuant to the Exchange Act as are necessary in order to make generally available to its security holders as soon as practicable an earnings statement for the purposes of, and to provide the benefits contemplated by, the last paragraph of Section 11(a) of the Act.

(e) During such period as a prospectus is required by law to be delivered in connection with sales by WSI, the Company, at its expense, but only for the nine-month period referred to in Section 10(a)(3) of the Act, will furnish to WSI or mail to the order of WSI copies of the Registration Statement and the Prospectus and all amendments and supplements to any such documents, in each case as soon as available and in such quantities as WSI may request, for the purposes contemplated by the Act.

(f) The Company shall qualify or register the Common Shares for sale under (or obtain exemptions from the application of) the Blue Sky securities law of North Carolina, will comply with such law and will continue such qualification, registration and exemption in effect so long as reasonably required for the distribution of the Common Shares. The Company will advise WSI promptly of the suspension of the qualification or registration of (or any such exemption relating to) the Common Shares for offering, sale or trading in any jurisdiction or

any initiation or threat of any proceeding for any such purpose, and in the event of the issuance of any order suspending such qualification, registration or exemption, the Company, with WSI's cooperation, will use its best efforts to obtain the withdrawal thereof.

(g) The Company will apply the net proceeds of the sale of the Common Shares sold by it substantially in accordance with its statements under the caption "Use of Proceeds" in the Prospectus.

WSI may, in its sole discretion, waive in writing the performance by the Company of any one or more of the foregoing covenants or extend the time for their performance.

SECTION 5. Payment of Fees and Expenses.

(a) The Company will pay to WSI at the closing of the offering a fee of \$40,000 for WSI's services performed hereunder; and

(b) Whether or not the transactions contemplated hereunder are consummated or this Agreement becomes effective or is terminated, the Company agrees to pay all costs, fees and expenses incurred in connection with the performance of its obligations hereunder and in connection with the transactions contemplated hereby and all reasonable fees and expenses of WSI, including reasonable fees and disbursements of WSI's counsel.

SECTION 6. Effectiveness of Registration Statement. WSI and the Company will use their best efforts to cause the Registration Statement to become effective, to prevent the issuance of any stop order suspending the effectiveness of the Registration Statement and, if such stop order be issued, to obtain as soon as possible the lifting thereof.

SECTION 7. Indemnification.

(a) The Company agrees to indemnify and hold harmless WSI against any losses, claims, damages or liabilities to which WSI may become subject, under the Securities Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon: (i) any untrue statement or alleged untrue statement made by the Company in Section 2 of this Agreement; (ii) any untrue statement or alleged untrue statement of any material fact contained in (A) the Registration Statement or any amendment thereto, or (B) any application or other document, or any amendment or supplement thereto, executed by the Company or based upon written information furnished by or on behalf of the Company filed in any jurisdiction in order to qualify the Shares under the securities or blue sky laws thereof or filed with the Commission or any securities association or securities exchange (each an "Application"); or (iii) the omission or alleged omission to state in the Registration Statement or any amendment thereto or any Application, a material fact required to be stated therein or necessary to make the statements therein not misleading, and will reimburse WSI for any legal or other expenses

reasonably incurred by WSI in connection with investigating, defending against or appearing as a third-party witness in connection with any such loss, claim, damage, liability or action; provided, however, that the Company shall not be liable in any such case to the extent that any such loss, claim, damage, liability or action arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in the Registration Statement or any amendment thereto or any Application in reliance upon and in conformity with written information furnished to the Company by WSI expressly for inclusion in the Prospectus beneath the heading "The Offering". The Company will not, without the prior written consent of WSI, settle or compromise or consent to the entry of any judgment in any pending or threatened claim, action, suit or proceeding (or related cause of action or portion thereof) in respect of which indemnification may be sought hereunder (whether or not WSI is a party to such claim, action, suit or proceeding), unless such settlement, compromise or consent includes an unconditional release of WSI from all liability arising out of such claim, action, suit or proceeding or related cause of action or portion thereof.

(b) WSI agrees to indemnify and hold harmless the Company and its officers, directors, agents, representatives and affiliates against any losses, claims, damages or liabilities to which the Company or its officers, directors, agents, representatives and affiliates may become subject under the Securities Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in the Registration Statement or any amendment thereto or any Application or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with written information furnished to the Company by WSI expressly for inclusion in the Prospectus beneath the heading "The Offering"; and will reimburse the Company for any legal or other expenses reasonably incurred by the Company in connection with investigating or defending any such loss, claim, damage, liability or action.

(c) Promptly after receipt by an indemnified party under subsection (a) and (b) above of notice of the commencement of any action, such indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under such subsection, notify the indemnifying party in writing of the commencement thereof; but the omission so to notify the indemnifying party shall not relieve it from any liability which it may have to any indemnified party otherwise than under such subsection. In case any such action shall be brought against any indemnified party and it shall notify the indemnifying party of the commencement thereof, the indemnifying party shall be entitled to participate therein and, to the extent that it shall wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party); provided, however, that if the defendants in any such action included the indemnified party and the indemnifying party and the indemnified party shall have reasonably concluded that there may be one or more legal defenses available to it or other indemnified parties which are different from or additional to those available to the indemnifying party, the indemnifying party shall not have the right to assume the defense of such action on behalf of such indemnified party and such indemnified party shall have the right to select separate counsel to defend such action on behalf of such indemnified party. After such notice from the indemnifying party to

such indemnified party of its election so to assume the defense thereof and approval by such indemnified party of counsel appointed to defend such action, the indemnifying party will not be liable to such indemnified party under this Section 7 for any legal or other expenses, other than reasonable costs of investigation, subsequently incurred by such indemnified party in connection with the defense thereof, unless (i) the indemnified party shall have employed separate counsel in accordance with the proviso to the next preceding sentence (it being understood, however, that in connection with such action the indemnifying party shall not be liable for the expenses of more than one separate counsel (in addition to local counsel) in any one action or separate but substantially similar actions in the same jurisdiction arising out of the same general allegations or circumstances, which separate counsel shall be designated by WSI in the case of indemnity arising under paragraph (a) of this Section 7) or (ii) the indemnifying party has authorized the employment of counsel for the indemnified party at the expense of the indemnifying party. Nothing in this Section 7(c) shall preclude an indemnified party from participating at its own expense in the defense of any such action so assumed by the indemnifying party.

(d) If the indemnification provided for in this Section 7 is unavailable to or insufficient to hold harmless an indemnified party under subsection (a) or (b) above in respect of any losses, claims, damages or liabilities (or actions in respect thereof) referred to therein, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (or actions in respect thereof) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and WSI on the other from the offering of the Common Shares. If, however, the allocation provided by the immediately preceding sentence is not permitted by applicable law or if the indemnified party failed to give the notice required under subsection (c) above, then each indemnifying party shall contribute to such amount paid or payable by such indemnified party in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Company on the one hand and WSI on the other in connection with the statements or omissions that resulted in such losses, claims, damages or liabilities (or actions in respect thereof), as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and WSI on the other shall be deemed to be in the same proportion as the total net proceeds from the offering (before deducting expenses) received by the Company bear to the total fees received by WSI. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company on the one hand and WSI on the other and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Company and WSI agree that it would not be just and equitable if contributions pursuant to this subsection (d) were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to above in this

subsection (d). The amount paid or payable by an indemnified party as a result of the losses, claims, damages or liabilities (or actions in respect thereof) referred to above in this subsection (d) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this subsection (d), WSI shall not be required to contribute any amount in excess of the fees described in Section 1 hereto. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

(e) The obligations of the Company under this Section 7 shall be in addition to any liability which the Company may otherwise have and shall extend, upon the same terms and conditions, to each person, if any, who controls WSI within the meaning of the Securities Act; and the obligations of WSI under this Section 7 shall be in addition to any liability which WSI may otherwise have and shall extend, upon the same terms and conditions, to each officer and director of the Company and to each person, if any, who controls the Company within the meaning of the Securities Act.

SECTION 8. Termination. Without limiting the right to terminate this Agreement pursuant to any other provision hereof:

(a) This Agreement may be terminated by the Company by notice to WSI or by WSI by notice to the Company at any time prior to the time this Agreement shall become effective as to all its provisions, and any such termination shall be without liability on the part of the Company to WSI (except for the fees and expenses to be paid or reimbursed by the Company, pursuant to Sections 5 and 7 hereof and except to the extent provided in Section 9 hereof) or of WSI to the Company (except for the expenses to be paid or reimbursed by WSI, pursuant to Section 7 hereof and except to the extent provided in Section 9 hereof).

(b) This Agreement may also be terminated by WSI by notice to the Company (i) if any adverse event shall have occurred or shall exist which makes untrue or incorrect in any material respect any statement or information contained in the Registration Statement or Prospectus or which is not reflected in the Registration Statement or Prospectus but should be reflected therein in order to make the statements or information contained therein not misleading in any material respect, or (ii) if there shall be any action, suit or proceeding pending or threatened; or there shall have been any development or prospective

development involving particularly the business or properties or securities of the Company or any of its Subsidiaries or the transactions contemplated by this Agreement which, in the reasonable judgment of WSI, may materially and adversely affect the Company's business or earnings and makes it impracticable or inadvisable to offer or sell the Common Shares. Any termination pursuant to this subsection (b) shall be without liability on the part of WSI to the Company or on the part of the Company to WSI (except for the fees and expenses to be paid or reimbursed by the Company pursuant to Sections 5 and 7 hereof and except to the extent provided in Section 9 hereof).

SECTION 9. Representations and Indemnities to Survive Delivery. The respective indemnities, agreements, representations, warranties and other statements of the Company, of the Company's officers and of WSI set forth in or made pursuant to this Agreement will remain in full force and effect, regardless of any investigation made by or on behalf of WSI, the Company, or any of its or their partners, officers or directors or any controlling person, as the case may be, and will survive delivery of and payment for the Common Shares sold hereunder and any termination of this Agreement.

SECTION 10. Notices. All communications hereunder shall be in writing and, if sent to WSI shall be mailed, delivered or telegraphed and confirmed to Wachovia Securities, Inc., IJL Financial Center, 201 North Tryon Street, Suite 2300, Charlotte, North Carolina, Attention: James H. Glen, Jr., with a copy to Smith, Helms, Mulliss & Moore, LLP, 201 North Tryon Street, Charlotte, North Carolina, 28202, Attention: Boyd C. Campbell, Jr.; and if sent to the Company shall be mailed, delivered or telegraphed and confirmed to the Company at P.O. Box 398, 63 Highway 515, Blairsville, Georgia 30512, with a copy to Kilpatrick Stockton LLP, Suite 2800, 1100 Peachtree Street, Atlanta, Georgia 30309, Attention: F. Sheffield Hale. The Company or WSI may change the address for receipt of communications hereunder by giving notice to the others.

SECTION 11. Successors. This Agreement will inure to the benefit of and be binding upon the parties hereto, and to the benefit of the officers and directors and controlling persons referred to in Section 7, and in each case their respective successors, personal representatives and assigns, and no other person will have any right or obligation hereunder. No such assignment shall relieve any party of its obligations hereunder. The term "successors" shall not include any purchaser of the Common Shares as such from WSI merely by reason of such purchase.

SECTION 12. Partial Unenforceability. The invalidity or unenforceability of any Section, paragraph or provision of this Agreement shall not affect the validity or enforceability of any other Section, paragraph or provision hereof. If any Section, paragraph or provision of this Agreement is for any reason determined to be invalid or unenforceable, there shall be deemed to be made such minor changes (and only such minor changes) as are necessary to make it valid and enforceable.

SECTION 13. Applicable Law. This Agreement shall be governed by and construed in accordance with the internal laws (and not the laws pertaining to conflicts of laws) of the State of North Carolina.

SECTION 16. General. This Agreement constitutes the entire agreement of the parties to this Agreement and supersedes all prior written or oral and all contemporaneous oral agreements, understandings and negotiations with respect to the subject matter hereof. This Agreement may be executed in several counterparts, each one of which shall be an original, and all of which shall constitute one and the same document.

In this Agreement, the masculine, feminine and neuter genders and the singular and the plural include one another. The section headings in this Agreement are for the convenience of the parties only and will not affect the construction or interpretation of this Agreement. This Agreement may be amended or modified, and the observance of any term of this Agreement may be waived, only by a writing signed by the Company.

If the foregoing is in accordance with WSI's understanding of our agreement, kindly sign and return to us the enclosed copies hereof, whereupon it will become a binding agreement among the Company and WSI, all in accordance with its terms.

Very truly yours,

UNITED COMMUNITY BANKS, INC.

By: /s/ Patrick J. Rusnak
Name: Patrick J. Rusnak
Title: Controller

WACHOVIA SECURITIES, INC.

By: /s/ Joe H. Glen, Jr.
Name: Joe H. Glen, Jr.
Title:

March 31, 2000

United Community Banks, Inc.
Post Office Box 398
59 Highway 515
Blairsville, Georgia 30512

Re: United Community Banks, Inc.
Registration Statement on Form S-3

Gentlemen:

At your request, we have examined the Registration Statement on Form S-3 filed by United Community Banks, Inc. (the "Company"), a Georgia corporation, with the Securities and Exchange Commission with respect to the registration under the Securities Act of 1933, as amended, of a minimum of 350,000 shares and a maximum of 450,000 shares of common stock, par value \$1.00 per share, of the Company (the "Common Stock"), to be sold to the public.

As your counsel, and in connection with the preparation of the Registration Statement, we have examined the originals or copies of such documents, corporate records, certificates of public officials, officers of the Company and other instruments related to the authorization and issuance of the common stock as we deemed relevant or necessary for the opinions expressed herein. Based upon the foregoing, it is our opinion that the shares of common stock to be issued and sold by the Company to the public will be, upon issuance, sale and delivery in the manner and under the terms and conditions described in the Registration Statement, validly issued, fully paid and nonassessable.

We hereby consent to the use of this opinion as an exhibit to the Registration Statement and further consent to the use of our name in the "Legal Matters" section of the Registration Statement, including the Prospectus constituting a part thereof, and any amendments thereto.

Very truly yours,

KILPATRICK STOCKTON LLP

By: /s/ Richard R. Cheatham
Richard R. Cheatham,
a Partner

CONSENT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

We have issued our report dated February 25, 2000, except for note 20 as to which the date is March 3, 2000, accompanying the financial statements of United Community Banks, Inc. and Subsidiaries incorporated by reference in the Registration Statement on Form S-3 and Prospectus. We consent to the incorporation by reference of the aforementioned report in the Registration Statement on Form S-3 and Prospectus, and to the use of our name as it appears under the caption "Experts".

/s/ Porter Keadle Moore, LLP

Atlanta, Georgia
March 31, 2000