SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934
Date of Report (Date of earliest event reported):
March 31, 2010

United Community Banks, Inc.

(Exact name of registrant as specified in its charter)

Georgia	No. 0-21656	No. 58-180-7304
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

63 Highway 515, P.O. Box 398
Blairsville, Georgia 30512
(Address of principal executive offices)

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

Not applicable
(Former name or former address, if changed since last report)

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

q Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

q Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

q Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

q Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240-13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement

On April 1, 2010, United Community Bank ("***Bank***"), a wholly owned subsidiary of United Community Banks, Inc. ("***United***" or "***Company***"), entered into an asset purchase and sale agreement (the "***Asset Purchase Agreement***") with Fletcher International Inc. and certain affiliates thereof who will become parties thereto as purchasers (collectively, the "***Purchasers***"). Pursuant to the Asset Purchase Agreement, Fletcher International Inc. will make a $10 million deposit (the "***Deposit***") and Bank has agreed to sell to the Purchasers certain non-performing commercial and residential mortgage loans and other real estate owned, or "OREO," properties (collectively, the "***Purchased Assets***") with an aggregate purchase price equal to Bank's carrying value of approximately $100 million with closing dates on or around April 30, 2010 (the "***Asset Sale***"). In connection with the Asset Sale, the Bank will loan to the Purchasers 80% of the purchase price to acquire the Purchased Assets, with the remaining 20% paid in cash by such Purchasers. The Purchasers are required to have at least 17.5% of the carrying value of the Purchased Assets, up front, to pre-fund the estimated three years' worth of carry costs related to such assets.

Also on April 1, 2010, United and Fletcher International, Ltd. ("***Fletcher***") entered into a securities purchase agreement (the "***Securities Purchase Agreement***") pursuant to which Fletcher agrees to purchase from the Company, and the Company agrees to issue and sell to Fletcher, 65,000 shares of United's Series C convertible preferred stock, par value $1.00 per share (the "***Convertible Preferred Stock***"), at a purchase price of $1,000 per share, for an aggregate purchase price of $65 million. Fletcher is required to purchase the Convertible Preferred Stock by May 26, 2012, subject to limited extensions upon certain events specified in the Securities Purchase Agreement (the "***Securities Sale***"). The Convertible Preferred Stock will initially bear interest at a rate equal to the lesser of 12% per annum and LIBOR + 8% per annum. If at Company's annual shareholders meeting, the Shareholder Approval (as defined below) is received, the Convertible Preferred Stock will bear interest at a rate equal to the lesser of 8% and LIBOR + 4% per annum. If all conditions precedent to Fletcher's obligations to purchase the Convertible Preferred Stock have been satisfied and Fletcher has not purchased all of the Convertible Preferred Stock by May 26, 2011, it must pay United 5% of the commitment amount not purchased by such date, and it must pay United an additional 5% of the commitment amount not purchased by May 26, 2012.

The Securities Purchase Agreement provides that the Company shall not effect any conversion or redemption of the Convertible Preferred Stock, and Fletcher shall not have the right to convert or redeem any portion of the Convertible Preferred Stock, into Common Stock to the extent such conversion or redemption would result in aggregate issuances to Fletcher of in excess of 9.75% (which may be reduced by Fletcher) of the number of shares of Common Stock that would be outstanding after giving effect to such conversion or redemption. In the event that the Company cannot effect a conversion or redemption of the Convertible Preferred Stock into Common Stock due to the limit described in the immediately preceding sentence, the conversion or redemption shall be effected into an equal number of shares of Junior Preferred Stock; provided, however, that in no event shall the Company effect any conversion or redemption of the Convertible Preferred Stock or exercise of the Warrant to the extent such conversion, redemption or exercise would result in aggregate issuances to Fletcher of in excess of thirty-three and thirty-three one hundredths percent (33.33%) of the Total Equity of the Company. For purposes of the preceding sentence, "Total Equity" means the value as reflected on the balance sheet of the Company of all shares of common, preferred and other equity capital of the Company outstanding as of the date of determination.

The Convertible Preferred Stock is redeemable by Fletcher at any time into common stock, par value $1.00 per share ("***Common Stock***"), or Junior Preferred Stock, at $5.25 per share of Common Stock or one-hundredth of a share of Junior Preferred Stock (equal to 12,380,952 shares of Common Stock), subject to certain adjustments (the "***Redemption Price***"). After May 26, 2015, on any date on which the average closing stock price for United's Common Stock for the twenty five business days ending on and including the third business day before such date exceeds the Conversion Price by one hundred percent (100%), United will have the option to convert all of the then outstanding Convertible Preferred Stock into Common Stock or Junior Preferred Stock at $6.02 per share of Common Stock or one-hundredth of a share of Junior Preferred Stock, subject to certain adjustments (equal to 10,797,342 shares of Common Stock). Each share of Junior Preferred Stock will be convertible into one hundred shares of United's Common Stock after United receives shareholder approval to authorize additional Common Stock for issuance.

Concurrently with payment of the Deposit under the Asset Purchase Agreement by Fletcher International Inc., Fletcher will receive a warrant (the "***Warrant***") to purchase non-voting Common Stock Equivalent Junior Preferred Stock, par value $1.00 per share, of the Company ("***Junior Preferred Stock***"). The warrant amount shall initially equal $15 million. The warrant amount will (i) be increased by $.15 for each $1.00 of assets purchased pursuant to the Asset Purchase Agreement up to a total increase of $15 million and (ii) be increased on a dollar for dollar basis by the aggregate dollar amount of the Convertible Preferred Stock purchased under the Securities Purchase Agreement in excess of $30 million. The warrant price for the first $30 million of the warrant amount shall be $4.25 for each one-hundredth of a share of Junior Preferred Stock (equal to 3,529,412 shares of Common Stock). The warrant price for the warrant amount in excess of $30 million shall be $6.02 for each one-hundredth of a share of Junior Preferred Stock (equal to 5,813,953 shares of Common Stock). The Warrant may only be exercised via cashless exercise and is exercisable for nine years following its issuance, subject to limited extension upon certain events specified in the Warrant.

The issuance of the securities described above and the increase in the Company's authorized Common Stock in connection with such issuances require Company shareholder approval pursuant to the Listing Requirements of the Nasdaq Global Select Market (the "***Shareholder Approval***"), which will be sought at United's Annual Meeting of shareholders to be held on May 26, 2010. All dates described in this Form 8-K assume the receipt of the Shareholder Approval at such meeting. If the Shareholder Approval is not received, the Securities Purchase Agreement provides that the Company shall not effect any conversion or redemption of the Convertible Preferred Stock or any exercise of the Warrant, and Fletcher shall not have the right to convert or redeem the Convertible Preferred Stock or exercise any portion of the Warrant, to the extent such action would result in issuances to Fletcher of Common Stock and Junior Preferred Stock (measured on an as converted basis) in excess of 19.99% of the shares of Common Stock outstanding as of the date of the Securities Purchase Agreement. Further, the Securities Purchase Agreement provides that the Company shall not effect any conversion or redemption of the Convertible Preferred Stock or any exercise of the Warrant, and Fletcher shall not have the right to convert or redeem the Convertible Preferred Stock or exercise any portion of the Warrant, to the extent the number of shares of Common Stock and Junior Preferred Stock beneficially owned by Fletcher immediately following such action would exceed 9.90% (which may be increased by Fletcher) of aggregate number of shares of Common Stock and Junior Preferred Stock (measured on an as converted basis) outstanding after giving effect to such action.

The descriptions of the Asset Purchase Agreement, Securities Purchase Agreement and Warrant above are summaries and are qualified in their entirety by reference to the full text of such agreements, which are attached hereto as Exhibits 1.1, 1.2 and 1.3, respectively, and are incorporated herein by reference.

Item 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year

Effective March 31, 2010, in connection with the Securities Sale, United filed with the Secretary of State of the State of Georgia a Certificate of Designation of the Junior Preferred Stock (the "***Certificate of Designation***") amending the Articles of Incorporation of United to create, authorize and provide for the issuance of the Junior Preferred Stock as a new series of United's existing preferred stock. As authorized and approved by Board of Directors of United, the Certificate of Designation authorizes the issuance of 1,000,000 shares of Junior Preferred Stock having the powers, preferences, participation and other special rights, qualifications, limitations, restrictions and other designations as set forth in the Certificate of Designation. United also filed on such date with the Secretary of State of the State of Georgia a Certificate of Rights and Preferences (the "***Certificate of Rights and Preferences***") of the Convertible Preferred Stock, amending the Articles of Incorporation of United to create, authorize and provide for the issuance of the Convertible Preferred Stock as a new series of United's existing preferred stock. As authorized and approved by Board of Directors of United, the Certificate of Rights and Preferences authorizes the issuance of 65,000 shares of Convertible Preferred Stock having the powers, preferences, participation and other special rights, qualifications, limitations, restrictions and other designations as set forth in the Certificate of Rights and Preferences.

The Certificate of Designation and Certificate of Rights and Preferences are attached hereto as Exhibits 4.1 and 4.2, respectively, and are incorporated herein by reference.

Item 8.01 Other Events

On April 1, 2010, Company issued a press release that announced the Asset Sale and Securities Sale described above. A copy of the press release is furnished as Exhibit 99.1 hereto and incorporated by reference herein.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	**Discription**
1.1	Asset Purchase Agreement, dated April 1, 2010 by and among United Community Bank and Fletcher International, Inc., and certain affiliates thereof who may become parties thereto as purchasers.
1.2	Securities Purchase Agreement, dated April 1, 2010 between United Community Banks, Inc. and Fletcher International, Ltd.
1.3	Form of Warrant to be granted by United Community Banks, Inc. to Fletcher International, Ltd.
4.1	Certificate of Designation of the Common Stock Equivalent Junior Preferred Stock, dated March 31, 2010.
4.2	Form of Certificate of Rights and Preferences of the Series C Convertible Preferred Stock.
99.1	Press Release of United Community Banks, Inc., dated April 1, 2010.

SIGNATURES

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

/s/ Rex S. Schuette

Rex S. Schuette
Executive Vice President and
Chief Financial Officer

April 1, 2010

Exhibit 1.1

EXECUTION COPY

ASSET PURCHASE AND SALE AGREEMENT

UNITED COMMUNITY BANK,
a bank organized under the laws of the State of Georgia,

FLETCHER INTERNATIONAL, INC.,
a Delaware corporation,

and

each affiliate of Fletcher International, Inc. that becomes a party to this Agreement by entering into a Joinder Agreement

Dated as of April 1, 2010

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ASSET PURCHASE AND SALE AGREEMENT

This ASSET PURCHASE AND SALE AGREEMENT (as amended, restated, or otherwise modified and in effect from time to time, this "Purchase Agreement"), is dated as of April 1, 2010 (the "Commitment Date"), among UNITED COMMUNITY BANK, a bank organized under the laws of the State of Georgia, as Seller, Fletcher International, Inc., a Delaware corporation ("Fletcher"), and each affiliate of Fletcher that becomes a party to this Purchase Agreement as a purchaser (each, a "Purchaser") by entering into a Joinder (as defined herein) to this Purchase Agreement.

BACKGROUND

Concurrently with the execution of this Purchase Agreement, Fletcher International, Ltd., a company domiciled in Bermuda, and United Community Banks, Inc., a corporation organized under the laws of the State of Georgia ("UCBI"), will enter into the Securities Purchase Agreement, dated as of the date hereof, pursuant to which (a) Fletcher International, Ltd. will agree to purchase from UCBI, and UCBI will agree to issue and sell to Fletcher International, Ltd., from time to time, in whole or in part, sixty-five thousand shares of UCBI's Series C convertible preferred stock, par value one dollar ($1.00) per share and (b) upon receipt of the Deposit (as defined herein), UCBI will issue a warrant to Fletcher International, Ltd. evidencing rights to purchase from UCBI, subject to certain terms and conditions, securities issued by UCBI.

The Seller, an affiliate of UCBI, wishes to sell, and Fletcher, through one or more of its affiliates, wishes to purchase, subject to the terms and conditions set forth in this Purchase Agreement, certain non-performing commercial and residential mortgage loans, REO properties and related property. Each such purchase of assets will be funded in part (80%) by funds loaned to the applicable Purchaser by United Community Bank as lender pursuant to a loan agreement to be entered into with such Purchaser.

Each Purchaser will initially appoint United Community Bank as its administrator and servicer pursuant to a servicing agreement between United Community Bank and such Purchaser to service, manage, restructure and sell the assets at the direction of the Purchaser.

Now, therefore, in consideration of the premises and the mutual agreements set forth herein, and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties agree as follows:

SECTION 1. Usages and Definitions.

Capitalized terms used but not otherwise defined in this Purchase Agreement are defined herein and in Appendix A. Appendix A also contains rules as to usage applicable to this Purchase Agreement. Appendix A is incorporated by reference into this Purchase Agreement.

SECTION 2. Commitment; Selection and Purchases of Assets; Optional Exchange and Pre-Closing Substitutions.

(a) Subject to the terms and provisions of this Purchase Agreement and the satisfaction of the conditions described herein, the Seller hereby agrees to sell, transfer, assign, set over and otherwise convey to one or more Purchasers, and Fletcher agrees to cause one or more of its affiliates, each as a Purchaser, to purchase, between $99,500,000 and $100,500,000 by Carrying Value of Offered Assets (or such other amount as may be agreed upon in writing by the Seller and Fletcher) in one or more Closings. After the Commitment Date and throughout the Substitution Period, the Seller shall update the information regarding the Offered Assets set forth in Exhibit A and shall promptly, and in any event prior to any purchase of an Offered Asset, notify each applicable Purchaser of any change in such information. Fletcher will select or to cause one or more of the Purchasers to select the Offered Assets which are to be purchased by sending written notice to the Seller by April 12, 2010. To the extent Fletcher and the Purchasers have not selected Offered Assets for purchase that have a total Carrying Value of at least $99,500,000 on or prior to April 12, 2010, the Seller may, in its sole discretion, by written notice to Fletcher not later than April 14, 2010, select the remaining Offered Assets to be purchased such that the total Carrying Value of the Offered Assets to be purchased is between $99,500,000 and $100,500,000. Each of the Seller and each applicable Purchaser shall use commercially reasonable efforts to complete the purchase of all Offered Assets selected for purchase on April 30, 2010 or as soon as reasonably practicable thereafter, and in any event, by May 31, 2010.

(b) A Purchaser may exchange any Offered Asset selected for purchase for one or more Offered Assets by written notice to the Seller at any time on or prior to April 23, 2010 (an "Optional Exchange"). If a Purchaser elects to make an Optional Exchange, the Purchaser shall use commercially reasonable efforts to complete its due diligence of additional Offered Assets prior to the intended Closing Date so that such additional Offered Assets may be purchased on such Closing Date, and, if such additional Offered Assets are not purchased on such Closing Date, the Seller and the Purchaser shall use commercially reasonable efforts to effect the Closing with respect to any such additional Offered Asset as soon as reasonably practicable, and in any event by May 31, 2010.

(c) The Seller shall notify Fletcher and the applicable Purchaser if it obtains knowledge that any Asset or Offered Asset is a Breaching Asset. From April 23, 2010 until May 31, 2010, if a Purchaser obtains knowledge that an Asset or an Offered Asset is a Breaching Asset, the Purchaser may exchange such Breaching Asset for one or more Offered Assets (a "Pre-Closing Substitution"). If a Purchaser elects to make a Pre-Closing Substitution, the Purchaser shall use commercially reasonable efforts to complete its due diligence of additional Offered Assets prior to the intended Closing Date so that such additional Offered Assets may be purchased on such Closing Date, and, if such Offered Assets are not purchased on such Closing Date, the Seller and the Purchaser shall use commercially reasonable efforts to effect the Closing with respect to any such additional Offered Assets as soon as reasonably practicable, and in any event by May 31, 2010.

(d) If an Offered Asset exchanged for a Breaching Asset pursuant to the terms of clause (c) above is determined by a Purchaser to be a Breaching Asset prior to its purchase, the procedures set forth in clause (c) above shall be repeated.

(e) The Assets sold in a particular Closing will be identified in the Asset List attached as Schedule A to the applicable Bill of Sale to be executed between the Seller and the related Purchaser. Subject to the terms and provisions of this Purchase Agreement and the applicable Bill of Sale, the Seller will sell, transfer, set over and otherwise convey the Assets identified in Schedule A to such Bill of Sale to the related Purchaser, including (1) all interest and principal received with respect to such Assets after the related Cut-off Date or received on or before the related Cut-off Date but not posted until after the related Cut-off Date; (2) any funds held in escrow, reserve or other accounts by the Seller with respect to such Assets; (3) all related title, hazard, or other insurance policies of any nature pertaining to such Assets, (4) all documents related to the Mortgage Asset, including the Loan Files, the Property Files and the Servicing Files, (5) the servicing rights appurtenant to such Assets and (6) all proceeds derived in any way from any of the foregoing, all on the terms set forth in this Purchase Agreement and the applicable Bill of Sale, and agrees that it will from time to time execute and deliver to the related Purchaser or its designee such instruments of further assurance and other instruments and will take such other action as the related Purchaser may reasonably request in order to evidence the purchase evidenced by such Bill of Sale. On the related Closing Date, the related Purchaser shall pay the applicable Purchase Price for such Assets to the Seller in accordance with Section 8(c).

(f) In connection with each of the Seller's assignments of Assets pursuant to subsection (e) above, the Seller will release the Loan File for each Mortgage Loan and the Property File for each REO Property to the applicable Purchaser. Upon the sale of any Assets to a Purchaser, the ownership of all related Mortgage Notes, all related Mortgages, all related Loan Files and all related Property Files, as applicable, shall vest immediately in the Purchaser, and the ownership of all records and documents with respect to the Assets prepared by or which come into possession of the Seller or the Servicer shall vest immediately in the Purchaser, and shall be retained and maintained by the Lender as bailee pursuant to the terms of the Loan Agreement. Notwithstanding the foregoing, a Purchaser may, at its own expense, appoint a custodian to take possession of the Loan Files and Property Files relating to its Assets; provided that such Purchaser, the Lender and the custodian enter into a custodial agreement reasonably acceptable to such parties.

(g) It is acknowledged and agreed by the Seller that the Purchaser or its agents may perform a due diligence review of the Loan Files and Property Files to enable the Purchaser or its agents to confirm on or before the 60th day following the related Closing Date that each of the documents and instruments set forth in Exhibits B-1 and B-2, as applicable, has been delivered by the Seller with respect to each such Loan File or Property File. In the event Seller fails to so deliver each such Loan File or Property File to the Purchaser, the Purchaser and its successors and assigns shall be entitled to pursue rights and remedies, including the rights or remedies in respect of such failure provided in Section 7 hereof. If the Seller cannot deliver, or cause to be delivered, as to each Mortgage File, the original or a copy of any of the documents or instruments referred to in clauses (b), (c), (f) or (g) of Exhibit B-1, or in clause (d) of Exhibit B-2, as applicable, with evidence of recording thereon, solely because of a delay caused by the public recording or filing office where such document or instrument has been delivered for recordation or filing, or because such original recorded document has been lost or returned from the recording or filing office and subsequently lost, as the case may be, the delivery requirements of Section 2(f) shall be deemed to have been satisfied as to such missing item, and such missing item shall be deemed to have been included in the related Loan File or Property File, as applicable, provided that a copy of such document or instrument (without evidence of recording or filing thereon, but certified (which certificate may relate to multiple documents and/or instruments) by the Seller to be a true and complete copy of the original thereof submitted for recording or filing, as the case may be) has been delivered to or at the direction of the Purchaser, and either the original of such missing document or instrument, or a copy thereof, with evidence of recording or filing, as the case may be, thereon, is delivered to or at the direction of the Purchaser (or any subsequent owner of the affected Assets) within 180 days of the Closing Date (or within such longer period after the Closing Date as the related Purchaser (or such subsequent owner) may consent to, which consent shall not be unreasonably withheld so long as the Seller has provided the related Purchaser (or such subsequent owner) with evidence of such recording or filing, as the case may be, or has certified to the related Purchaser (or such subsequent owner) as to the occurrence of such recording or filling, as the case may be, and is, as certified to the related Purchaser (or such subsequent owner) no less often than quarterly, in good faith attempting to obtain from the appropriate county recorder's or filing office such original or copy). If the Seller cannot deliver, or cause to be delivered, as to the Assets, the original or a copy of the related lender's Title Insurance Policy referred to in clause (e) of Exhibit B-1 or clause (h) of Exhibit B-2 solely because such policy has not yet been issued, the delivery requirements of Section 2(f) shall be deemed to be satisfied as to such missing item, and such missing item shall be deemed to have been included in the related Loan File or Property File, as applicable, provided that the Seller has delivered to the Purchaser a commitment for title insurance "marked-up" at the Closing, and the Seller shall deliver to or at the direction of the Purchaser (or any subsequent owner of the affected Asset), promptly following the receipt thereof, such Title Insurance Policy.

(h) As to the Assets, the Seller shall be responsible for all costs associated with the recording or filing, as the case may be, of each assignment referred to in clauses (b), (c) and (f) of Exhibit B-1 and each UCC financing statement, if any, referred to in clause (g) of Exhibit B-1; provided that the Seller shall not be responsible for actually recording or filing any such document or instrument. If any such document or instrument is lost or returned unrecorded or unfiled, as the case may be, because of a defect therein, the Seller shall promptly prepare or cause the preparation of a substitute therefor or cure or cause the curing of such defect as the case may be, and shall thereafter deliver the substitute or corrected document to or at the direction of the Purchaser (or any subsequent owner of the affected Assets) for recording or filing, as appropriate at the Seller's expense.

(i) All documents and records in the Seller's possession (or under its control) relating to Assets that are not required to be a part of a Loan File in accordance with Exhibit B-1 or part of a Property File in accordance with Exhibit B-2 or are reasonably required to service the Assets (all such other documents and records, the "Servicing File"), together with all escrow payments, reserve funds and other comparable funds in the possession of the Seller (or under its control) with respect to the Assets, if any, shall be delivered by the Seller to the Servicer on the related Closing Date.

(j) Through the related Closing Date, the Seller shall assume all risk of loss to the Mortgaged Properties and REO Properties. From and after the related Closing Date, the applicable Purchaser will assume all risk of loss to the Mortgaged Properties and REO Properties.

(k) The Seller's records will reflect the transfer of Assets to a Purchaser as a sale.

(l) All Collections received by the Seller shall be held by the Servicer without set off or counterclaim and shall be reported to the Purchaser and deposited to the Purchaser's Collection Account within two Business Days of receipt thereof

(m) It is intended that the conveyance of the Seller's right, title and interest in and to the Assets pursuant to this Purchase Agreement and the related Bill of Sale shall constitute, and shall be construed as, a purchase and sale and not a secured borrowing. However, if such conveyance is deemed to be a secured borrowing, it is intended that the rights and obligations of the parties to such loan shall be established pursuant to the terms of this Purchase Agreement and the related Bill of Sale, and the Seller hereby grants to the related Purchaser a first priority security interest in all of the Seller's right, title and interest in and to the Assets specified in the related Bill of Sale, whether now existing or hereafter acquired.

(n) No more than five Persons may become a party to this Purchase Agreement as a Purchaser. Each Purchaser will, to the extent reasonably practicable, (i) purchase a substantially equivalent percentage of the total Carrying Value of the Offered Assets selected for purchase and (ii) purchase a substantially equivalent mix of Mortgage Loans and REO Properties.

SECTION 3. Interim Period Activities.

(a) During the Interim Period, the Seller shall service the Offered Assets in accordance with Accepted Servicing Practices and all applicable federal, state and local laws, including without limitation, maintaining in full force and effect the hazard insurance policies, except that, with respect to Offered Assets that are REO Properties, the Seller shall only make repairs for noticed code violations, weather preservation, property security and demolition orders consistent with a reasonably prudent course of business, and the Seller shall not list any such REO Properties with a listing agent, and shall not otherwise engage a broker for any such REO Property or enter into any brokerage agreements except as may be agreed to in writing by the applicable Purchaser. To the extent that the Seller has taken any such action with respect to Offered Assets that are REO Properties in violation of the preceding sentence during the Interim Period, the Seller shall notify the related Purchaser in writing prior to the related Closing Date and the related Purchaser in its sole discretion may purchase such Offered Asset, exchange such Offered Asset in an Optional Exchange or designate such Offered Asset as a Breaching Asset.

(b) During the Interim Period, with respect to any mortgage loan that is an Offered Asset, the Seller shall not, without the prior written consent of the applicable Purchaser (i) modify such mortgage loan (including, without limitation, a release of any collateral or any party from liability on or with respect to such mortgage loan), (ii) forgive principal in respect of such mortgage loan, (iii) accept a deed-in-lieu of foreclosure with respect to such mortgage loan, (iv) conduct any short sale in respect of the Mortgaged Property, (v) commence any foreclosure with respect to such mortgage loan or bankruptcy proceeding against the related Mortgagor, (vi) settle or compromise any condemnation or insurance claim or proceeding in respect of such mortgage loan, (vii) settle or compromise, or make any offers to settle or compromise, any existing litigation or other proceedings in respect of such mortgage loan, or (viii) take any action to materially impair any interest of a Purchaser in such mortgage loan or any interest therein. To the extent that the Seller has taken any action described in clauses (i) through (viii) of the preceding sentence in respect of any mortgage loan that is an Offered Asset during the Interim Period, the Seller shall notify the related Purchaser in writing prior to the related Closing Date and the related Purchaser in its sole discretion may purchase such Offered Asset, exchange such Offered Asset in an Optional Exchange or designate such Offered Asset as a Breaching Asset.

(c) During the Interim Period, with respect to any REO Property that is an Offered Asset, the Seller shall not, without the prior written consent of the applicable Purchaser (i) settle or compromise any condemnation or insurance claim or proceeding in respect of such REO Property, (ii) settle or compromise, or make any offers to settle or compromise, any existing litigation or other proceedings in respect of such REO Property, or (iii) take any action to materially impair any interest of a Purchaser in such REO Property. To the extent that the Seller has taken any action described in clauses (i) through (iii) of the preceding sentence in respect of any REO Property that is an Offered Asset during the Interim Period, the Seller shall notify the related Purchaser in writing prior to the related Closing Date and the related Purchaser in its sole discretion may purchase such Offered Asset, exchange such Offered Asset in an Optional Exchange or designate such Offered Asset as a Breaching Asset.

(d) The Seller shall use commercially reasonable efforts to notify foreclosure and bankruptcy attorneys retained with respect to any mortgage loan that has been designated as an Asset to be purchased to stay, adjourn or otherwise postpone or extend the deadline to perform all actions enforcing any of the Seller's rights and remedies under any of the related Mortgage Loan Documents; provided, that if any such action will impair or irrevocably waive any rights of the Seller or discharge or release any Mortgagor, then such action shall not be taken without the prior written consent of the applicable Purchaser which may be withheld in its sole and absolute discretion. In addition, each such attorney shall be instructed to bill the Seller for fees, expenses and disbursement incurred up until the related Closing Date.

(e) If the Seller receives title to a Mortgaged Property during the Interim Period as a result of foreclosure, deed-in-lieu of foreclosure, power of sale or otherwise, such Mortgaged Property shall be an REO Property and shall be sold to a Purchaser pursuant to the representations and warranties contained in Section 5 and such other provisions as relate to the sale of REO Property. The Seller shall be responsible for delivering to the related Purchaser an unrecorded Deed, where applicable, with respect to such REO Property, together with the other documents in the Property File on the Closing Date.

SECTION 4. Examination of Loan Files and Due Diligence Review.

The Seller shall reasonably cooperate with any examination of the Loan Files, Property Files and Servicing Files that may be undertaken by or on behalf of any Purchaser either before or after the related Closing Date. The fact that a Purchaser has conducted or has failed to conduct any partial or complete examination of the Loan Files, Property Files and/or Servicing Files shall not affect the Purchaser's right to pursue any right or remedy, including the rights and remedies provided in Section 7 for a breach of the Seller's representations, warranties and covenants set forth in or contemplated by Section 5.

SECTION 5. Representations, Warranties and Covenants of the Seller.

(a) The Seller hereby makes, as of the Commitment Date and each applicable Closing Date (or as of such other date specifically provided in the particular representation or warranty), to and for the benefit of Fletcher and the related Purchaser, and their successors and assigns, each of the representations and warranties set forth in Exhibits C-1, C-2 and C-3, as applicable, and indicated on Exhibit A.

(b) In addition, the Seller, as of the Commitment Date and each Closing Date, hereby represents and warrants to, and covenants with, Fletcher and each Purchaser that:

(i) The Seller is duly incorporated and is validly existing in good standing as a state chartered bank under the laws of the State of Georgia. The Seller is in compliance with the laws of each State in which any Assets are located to the extent necessary to perform its obligations under this Purchase Agreement.

(ii) The execution and delivery by the Seller of this Purchase Agreement and the performance by Seller of all of its obligations hereunder have been duly authorized by all requisite corporate action and no further consent or authorization of the Seller, its Board of Directors or sole stockholder is required.

(iii) The Seller has full banking power and authority to (A) own and operate its properties and assets and execute and deliver this Purchase Agreement and each Bill of Sale, (B) perform its obligations hereunder and (C) carry on its business as presently conducted and as presently proposed to be conducted. The Seller and its subsidiaries are duly licensed, qualified and authorized to do business and are in good standing in all jurisdictions in which the nature of their activities and of their properties (both owned and leased) makes such licensing, qualification or authorization necessary, except where the failure to do would not, individually or in the aggregate, be reasonably expected to have a Material Adverse Effect.

(iv) This Purchase Agreement has been duly executed and delivered by the Seller, and when this Purchase Agreement is duly authorized, executed and delivered by the Purchaser, will be a valid and binding agreement enforceable against the Seller in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights generally and to general principles of equity.

(v) Neither the execution and delivery by the Seller of this Purchase Agreement nor the performance by the Seller of any of its obligations hereunder violates, conflicts with, results in a breach of, or constitutes a default (or an event which with the giving of notice or the lapse of time or both would be reasonably likely to constitute a default) or creates any rights in respect of any Person under (A) the articles of incorporation or by-laws (or other comparable documents) of the Seller or any of its Affiliates, (B) any decree, judgment, order, law, treaty, rule, regulation or determination of any court, governmental agency or body, or arbitrator having jurisdiction over the Seller or any of its Affiliates or any of their respective properties or assets, or (C) the terms of any bond, debenture, indenture, credit agreement, note or any other evidence of indebtedness, or any agreement, stock option or other similar plan, lease, mortgage, deed of trust or other instrument to which the Seller or any of its Affiliates is a party, by which the Seller or any of its Affiliates is bound, or to which any of the properties or assets of the Seller or any of its Affiliates is subject.

(vi) There is no pending or, to the best knowledge of the Seller, threatened action, suit, proceeding or investigation before any court, governmental agency or body, or arbitrator having jurisdiction over the Seller or any of its Affiliates that would affect the execution by the Seller of, or the performance by the Seller of any of its obligations under, this Purchase Agreement.

(vii) The Seller has not incurred debt, and does not intend to incur debt, beyond its ability to pay such debt as it matures. For purposes of this paragraph, “debt” means any liability on a claim, and “claim” means (x) a right to payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, or unsecured, or (y) a right to an equitable remedy for breach of performance if such breach gives rise to a payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured, or unsecured. With respect to any such contingent liabilities, such liabilities are computed at the amount which, in light of all the facts and circumstances existing at the time, represents the amount which can reasonably be expected to become an actual or matured liability.

(viii) The Seller is receiving fair consideration from the Purchaser or its Affiliates for the Assets sold and the agreements, covenants, representations and warranties made by the Seller to the Purchaser. The Seller is not transferring any Asset with any intent to hinder, delay or fraud any of its creditors. The Seller has obtained the consents to the sale of the Assets from all of its required secured lenders.

(ix) The Seller possesses all material certificates, authorizations and permits issued by the appropriate federal, state or foreign regulatory authorities necessary to conduct its business. The Seller is not in violation of any material judgment, decree or order or any statute, ordinance, rule or regulation applicable to it.

(x) The Seller is insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as are prudent and customary in the businesses in which the Seller is engaged.

(xi) The Seller is not, and is not an affiliate of, an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

(xii) The Seller has not dealt with any broker, investment banker, agent or other person, other than the Purchaser and its affiliates, that may be entitled to any commission or compensation in connection with the sale of the Assets or the consummation of any of the other transactions contemplated hereby.

(xiii) No consent, approval, authorization or order of any court, governmental agency or other body is required for execution and delivery by the Seller of this Purchase Agreement or any Bill of Sale or the performance by the Seller of any of its obligations hereunder. No registration or filing with, or notice to, any governmental authority or court is required, under federal or state law (including, with respect to any bulk sale laws), for the execution delivery and performance of or compliance by the Seller with this Purchase Agreement or the consummation by the Seller of any transaction contemplated hereby, other than (1) the filing or recording of financing statements, instruments of assignment and other similar documents necessary in connection with the Seller's sale of the Assets to the Purchasers and (2) such consents, approvals, authorizations, qualifications, registrations, filings or notices as have been obtained or made.

(xiv) If a third party, including a potential purchaser of the Assets, inquires, the Seller will promptly indicate that the Assets have been sold to a Purchaser and the Seller will not claim any ownership interest in the Assets.

(xv) The Seller's records (including for purposes of GAAP) will reflect the transfer of the Assets to the Purchaser as a sale.

(xvi) Each obligor of an Asset (if any) will be notified of the sale of such Asset contemplated hereby.

(c) Upon discovery by any of the parties hereto of a breach or defect of any of the representations and warranties made pursuant to and set forth in subsection (b) above or a breach or defect of any of the representations and warranties made pursuant to subsection (a) above and set forth in Exhibits C-1, C-2 and C-3, as applicable, which has a material adverse effect on the Seller's ability to perform its obligations hereunder or the value of any Asset, the party discovering such breach or defect shall give prompt written notice to the other party hereto and its assigns.

SECTION 6. Representations, Warranties and Covenants of Fletcher.

Fletcher, as of the Commitment Date and each applicable Closing Date, hereby represents and warrants to the Seller that:

(a) Fletcher has been duly incorporated and is validly existing and in good standing under the laws of the State of Delaware.

(b) The execution, delivery and performance of this Purchase Agreement by Fletcher have been duly authorized by all requisite corporate action and no further consent or authorization of Fletcher, its Board of Directors or its stockholders is required. This Purchase Agreement has been duly executed and delivered by Fletcher and, when duly authorized, executed and delivered by the Seller, will be a valid and binding agreement enforceable against Fletcher in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights generally and to general principles of equity.

SECTION 7. Post-Closing Substitution of Assets.

(a) Within 90 days of receipt of written notice or knowledge by the Seller of a breach or defect of any representation or warranty made pursuant to Section 5(a) and set forth in Exhibits C-1, C-2 and C-3 that causes an Asset to be a Breaching Asset, the Seller shall use commercially reasonable efforts to cure such defect or breach, as the case may be, in all material respects. For any such breach or defect for which the Seller has received written notice or has knowledge thereof during the three-year period following the affected Asset's Closing Date (the "Substitution Period"), if the Seller fails to cure such defect or breach within such 90-day period in all material respects, the related Purchaser may exchange such Breaching Asset for one or more Offered Assets that have an aggregate Carrying Value that is equal to or greater than the then-current Carrying Value of the Breaching Asset that is being exchanged by written notice to the Seller (a "Post-Closing Substitution"); provided, that if the aggregate Carrying Value of all Offered Assets exchanged in Post-Closing Substitutions by all Purchasers after May 31, 2010 exceeds $15 million, or if written notice of such exchange is delivered to the Seller after September 30, 2010, a Purchaser may only exchange Breaching Assets for which the applicable breaches would have a material adverse effect to the Purchaser. The Seller and the related Purchaser shall execute and deliver any and all such additional assignments, deeds, instruments of transfer and other documents as may be reasonably required in order to complete the exchange transactions. The Seller shall be responsible for, and shall pay when due and payable, all transfer, filing and recording fees and taxes, costs and expenses, and any state or county documentary taxes, if any, with respect to the filing or recording of any document or instrument contemplated hereby in connection with such substitution, and shall be responsible for recording any documents evidencing the transfers. In connection with any exchange of assets contemplated by this Section 7, the Seller and the related Purchaser shall tender promptly or cause to be tendered promptly to the other party, the related Loan File, Property File and Servicing File, as applicable.

(b) If the Seller defaults on its obligations to substitute any Breaching Asset in accordance with Section 7(a) or disputes its obligation to cure or to exchange the affected Assets in accordance with such subsection, the Purchaser or its successors and assigns may take such action as is appropriate to enforce such payment or performance, including, without limitation, the institution and prosecution of appropriate proceedings. To the extent the Purchaser or its successors and assigns prevail in such proceeding, the Seller shall reimburse the Purchaser or its successors and assigns, as applicable, for all necessary and reasonable costs and expenses incurred in connection with the enforcement of such obligation of the Seller to cure or substitute the Breaching Asset in accordance with this Section 7.

(c) At all times during the Substitution Period, the Seller shall maintain a list of at least $25,000,000 in Carrying Value of Offered Assets, excluding Breaching Assets, by updating the list of Offered Assets in Exhibit A. Initially, such list will consist of the Offered Assets not purchased by the Purchasers, excluding Breaching Assets.

SECTION 8. Initial Deposit; Payment of Purchase Price; UCB Breaches; Liquidated Damages.

(a) On or about April 1, 2010 (but in no event later than April 5, 2010), Fletcher, on behalf of itself and the Purchasers, shall remit $10 million (the "Deposit") to the Seller by wire transfer of immediately available funds to an interest-bearing savings account specified in writing by the Seller (the "Deposit Account"), which funds shall be held by the Seller in trust in accordance with the terms and conditions of this Section 8.

(b) Interest earned on the Deposit shall be for the account of Fletcher and the Purchasers and shall be distributed at the direction of Fletcher.

(c) On each Closing Date, to the extent of funds on deposit in the Deposit Account, the Seller shall apply 10% of the aggregate Purchase Price of the Assets purchased on such Closing Date from the Deposit Account toward the aggregate Purchase Price payable to the Seller on such Closing Date. The remainder of the aggregate Purchase Price payable by a Purchaser on such Closing Date shall be funded (i) using funds to be advanced to such Purchaser pursuant to (and subject to the fulfillment of the conditions precedent to such funding specified in Article IV of) the Loan Agreement entered into by such Purchaser and the Lender in an amount equal to 80% of the aggregate Purchase Price, and (ii) after giving effect to the credit of funds in the Deposit Account (if any) described above and the funds to be advanced to such Purchaser pursuant to the Loan Agreement as described in clause (i), using funds available to the Purchaser from other sources other than amounts on deposit in such Purchaser's Carry Account; provided, however, that with respect to a Substitution pursuant to Section 7, the Purchase Price shall be deemed paid by the substitution of the Breaching Asset with the exchanged Offered Asset. Upon the occurrence of any of the following events (each, a "UCB Breach"):

(i) any Closing contemplated by this Purchase Agreement cannot be completed due to (A) a material failure by United Community Bank in the performance of its obligations as Seller under this Purchase Agreement which is not cured within 10 days, (B) a failure by United Community Bank to execute a Loan Agreement in substantially the form attached to this Purchase Agreement as Exhibit J or such other form as may be reasonably acceptable to United Community Bank and the related Purchaser, (C) a material failure of United Community Bank in the performance of its obligations under any Loan Agreement (assuming the applicable Purchaser has fulfilled all of its obligations precedent to such performance under such Loan Agreement), (D) the failure of United Community Bank to enter into a Servicing Agreement in substantially the form attached to this Purchase Agreement as Exhibit G or such other form as may be reasonably acceptable to United Community Bank and the related Purchaser or (E) a directive issued by the FDIC or any other regulatory authority;

(ii) the appointment of, or the consent by United Community Bank to the appointment of, a receiver with respect to it or with respect to any substantial part of its property;

(iii) a final adjudication of an act by United Community Bank that constitutes fraud or criminal activity in the performance of its activities with respect to this Purchase Agreement;

or if any Closing does not occur before the termination of this Purchase Agreement pursuant to Section 9(d) for any reason other than a failure on the part of the Purchaser to fulfill its purchase obligation under this Purchase Agreement and the related Bill of Sale by such date, all amounts remaining on deposit in the Deposit Account shall immediately be released to the Purchasers at the direction of Fletcher, and the Purchasers shall have no further obligations to complete any further Closings. In the absence of any such events, the Seller shall be, and hereby is, authorized to retain any funds remaining on deposit in the Deposit Account after termination of this Purchase Agreement pursuant to Section 9(d). The parties expressly acknowledge that it would be impractical and extremely difficult to estimate the actual damages the Seller would suffer if the Purchasers failed to satisfy their purchase obligations and that the retention of the remaining Deposit is intended not as a penalty, but as the sole and exclusive remedy (whether at law or in equity) for the Seller's lost opportunities and other costs, expenses and damages in connection with this Purchase Agreement.

SECTION 9. Closing; Conditions Precedent; Termination.

(a) Each Closing shall be held at the offices of Skadden, Arps, Slate, Meagher & Flom LLP, Four Times Square, New York, New York 10036 at 10:00 a.m., New York City time, on April 30, 2010, or, with respect to any Offered Assets selected for purchase pursuant to Section 2(a) that are not purchased on such date for any reason, on such later date that is three Business Days following the satisfaction of the conditions set forth in clause (b) or (c) below (other than conditions that by their nature are to be satisfied at Closing), or on such other date or in such other manner as shall be mutually agreed upon in writing by the Seller and the related Purchaser; provided, however, that Closings may be delayed in the circumstances contemplated in Section 2 and Substitutions may be effected as contemplated by Sections 2 and 8. On the related Closing Date, the Seller and the related Purchaser shall execute and deliver to each party a Bill of Sale for the related Closing.

(b) The obligation of the applicable Purchaser to consummate each Closing shall be subject to, with respect to the Offered Assets to be purchased at such Closing, each of the following conditions precedent except to the extent such conditions are waived in writing by the applicable Purchaser in its sole discretion:

(i) All of the representations and warranties of the Seller specified in this Purchase Agreement shall be true and correct in all material respects as of the related Closing Date;

(ii) All documents and opinions specified in Section 10 (the Closing Documents) to be delivered by the Seller on the related Closing Date shall be duly executed and delivered by all signatories as required pursuant to the respective terms thereof;

(iii) With respect to any REO Property which is a residential property to be sold in such Closing, the Seller and the related Purchaser shall have executed a Disclosure of Information on Lead-Based Paint and Lead Hazards for REO Properties, in the form of Exhibit F attached hereto;

(iv) No UCB Breach shall have occurred;

(v) The Seller shall have delivered and released to the Purchaser or the Purchaser's designee, as the case may be, all documents required to be so delivered pursuant to Section 2 on the related Closing Date;

(vi) All other terms and conditions of this Purchase Agreement and the related Bill of Sale required to be complied with by the Seller on or before the related Closing Date shall have been complied with, and the Seller shall have the ability to comply with all terms and conditions and perform all duties and obligations required to be complied with or performed after the related Closing Date; and

(vii) The Purchaser shall be satisfied that all of the conditions precedent described above have been satisfied.

(c) The obligation of the Seller to consummate each Closing shall be subject to, with respect to the Offered Assets to be purchased at such Closing, each of the following conditions precedent except to the extent such conditions precedent are waived in writing by the Seller in its sole discretion:

(i) All of the representations and warranties of Fletcher and the applicable Purchaser specified in this Purchase Agreement or in the related Joinder shall be true and correct in all material respects as of the related Closing Date;

(ii) All documents specified in Section 10 (the Closing Documents) to be delivered by the applicable Purchaser on the related Closing Date shall be duly executed and delivered by all signatories as required pursuant to the respective terms thereof;

(iii) All other terms and conditions of this Purchase Agreement and the related Bill of Sale required to be complied with by the applicable Purchaser on or before the related Closing Date shall have been complied with, and the applicable Purchaser shall have the ability to comply with all terms and conditions and perform all duties and obligations required to be complied with or performed after the related Closing Date;

(iv) The payment (or deemed payment) of the aggregate Purchase Price in accordance with Section 8(c) of this Purchase Agreement shall have been received (or deemed received) (including the payment by the applicable Purchaser of 10% of such Purchase Price that is not credited from the Deposit or funded by a loan under a Loan Agreement); and

(v) The Seller shall be satisfied that all of the conditions precedent described above have been satisfied.

(d) This Purchase Agreement may be terminated at any time prior to the consummation of all Closings with respect to any future Closings by either Fletcher or the Seller upon written notice to the other at any time after May 31, 2010; provided, however, that such right to terminate shall not be available to such party if the failure of any Closing to occur by such date is the result of one or more breaches or violations of, or inaccuracy in any covenant, agreement, representation or warranty of this Purchase Agreement by such party (other than, with respect to any Offered Asset, a breach of any representation or warranty set forth in Exhibits C-1, C-2 or C-3, as applicable). Notwithstanding the foregoing, all representations, warranties, covenants and agreements in this Purchase Agreement and any Bill of Sale as they may relate to any consummated Closing shall survive the termination of this Purchase Agreement except to the extent expressly provided otherwise herein.

SECTION 10. Closing Documents.

The "Closing Documents" to be delivered on each Closing Date shall consist of the following:

(a) This Purchase Agreement duly executed and delivered by the Seller and Fletcher, with a Joinder to the Purchase Agreement duly executed and delivered by the related Purchaser;

(b) A Servicing Agreement, duly executed and delivered by the related Purchaser and the Servicer;

(c) A Loan Agreement, together with any other Loan Documents (as such term in defined in the Loan Agreement) specified in Section 4.01 of such Loan Agreement, duly executed and delivered by the Lender and the related Purchaser, as applicable;

(d) A certificate of good standing from the Secretary of State of the State of Georgia with respect to the Seller;

(e) All Assignments of Leases, Rents and Profits, if any, together with an assignment thereof duly executed by the Seller, assigning to Purchaser all of the Seller's right, title and interest therein;

(f) A certificate of the Seller substantially in the form of Exhibit H hereto, executed by an executive officer or authorized signatory of the Seller and dated the Closing Date, and upon which the Purchaser may rely;

(g) A written opinion of counsel for the Seller, opining on issues described in Exhibit I and subject to such reasonable assumptions and qualifications as may be requested by counsel for the Seller and acceptable to counsel for the Purchaser, dated the applicable Closing Date and addressed to the Purchaser and to Fletcher;

(h) With respect to any REO Properties, the final settlement statement agreed upon in writing pursuant to Section 12(f); and

(i) Such other certificates and documents as the Purchaser may reasonably request.

SECTION 11. Post-Closing Activities.

(a) As soon as reasonably practicable after the Closing Date:

(i) Each related Purchaser and the Seller shall (A) with respect to Assets in litigation (including foreclosure), to the extent necessary or advisable, file appropriate pleadings with the court that will substitute Purchaser's attorney for Seller's attorney, and remove Seller as a party to the litigation and substitute Purchaser as the real party in interest; and (B) with respect to Mortgage Loans with respect to which the related mortgagor is in bankruptcy, mail to each of the Seller's bankruptcy attorney, the Seller's foreclosure attorney, the mortgagor's attorney and the bankruptcy trustee a letter advising such attorney that the Seller has sold the Mortgage Loan on the related Closing Date to the related Purchaser.

(ii) Each related Purchaser and the Seller shall file or cause to be filed, as and when required by law, all IRS forms 1099, 1099A, 1098 or 1041 and K-1 in relation to the ownership of the Mortgage Loans for the portion of such year the Mortgage Loans were owned by the Seller.

(b) Not later than the first anniversary of the Closing Date, the Seller shall deliver to the related Purchaser a statement setting forth any corrections to the amounts payable by the Seller or the related Purchaser with respect to the Assets but not included in the amounts referred to in Section 12, together with the documentation relating to such corrections.

(c) At any time, and from time to time after the related Closing Date, upon the reasonable request of a party hereto, and at the expense of such party, the other party shall do, execute, acknowledge and deliver, and shall cause to be done, executed, acknowledged and delivered, all such further acts, deeds, assignments, transfers, conveyances, powers of attorney and assurances as may be reasonably required in order to better assign, transfer, grant, convey, assure and confirm to Purchaser, and to collect any or all of the Mortgage Loans, manage the REO Properties or document its ownership to each of the REO Properties as provided for herein or to effectuate the purpose and carry out the terms of this Purchase Agreement.

SECTION 12. Other Expenses.

(a) Each party will pay its own expenses (including the fees and expenses of its attorneys) in connection with the negotiations for, documenting of and closing of the transactions contemplated by this Purchase Agreement.

(b) In connection with the transfer of any Mortgage Loan registered with MERS, the Seller shall, at its own expense, cause the MERS System to indicate that such Mortgage Loan has been assigned to Purchaser.

(c) With respect to each REO Property, the Seller shall pay all real estate transfer taxes, sales taxes or similar taxes, license and permit assignment fees, assessments, levies, deductions, fees, withholdings or charges of whatever nature in connection with the transfer of the REO Property to the Purchaser.

(d) The Seller acknowledges its liability for all real estate taxes, ad valorem taxes, street vault taxes, personal property taxes and other taxes, assessments and charges, other municipal and state charges, license and permit fees, water and sewer rents and all other charges affecting the REO Properties, and any interest and penalties due thereon (collectively, the "Taxes") through the related Closing Date only, whether or not such Taxes are (i) due and payable as of the related Closing Date, (ii) delinquent as of the related Closing Date or (iii) billed as of the related Closing Date. The Purchaser shall be liable for all Taxes on the REO Properties accruing after the related Closing Date. Taxes paid by the Seller prior to the related Closing Date with respect to periods that extend beyond the related Closing Date shall be prorated and adjusted as of the related Closing Date as set forth below.

(e) With respect to the REO Properties, the following items for which the Seller has received notice by the related Closing Date (including any such charges on bills that relate to all periods prior to the related Closing Date, without regard to when such costs shall become due and payable), are to be paid by the Seller through and including the related Closing Date: (i) utilities (including, without limitation, telephone service, heat, steam, electric power, cable, and trash removal, fuel, water, water frontage charges and/or meter charges), (ii) sewer and sanitary charges and taxes thereon, (iii) amounts prepaid or payable pursuant to the insurance premiums, management or brokerage agreements, service, supply, security, maintenance or similar agreements, (iv) condominium, cooperative and home owner association fees, assessments, maintenance and common charges or (v) any other similar fees or expenses in connection with the servicing of the REO Properties. The Purchaser shall be responsible for and shall pay any such charges on bills that relate to all periods after the related Closing Date, regardless of when such items are due and payable.

(f) Upon the related Closing Date, the items set forth in Sections 12(c), (d) and (e) above, together with all rents and other payments actually received by the Seller under the terms of any lease for the month of the Closing, shall be apportioned between the Seller and the related Purchaser on the basis of a settlement statement approved in writing by the Seller and the Purchaser. Not later than five Business Days prior to the related Closing Date, the Seller shall deliver to such Purchaser a draft settlement statement which shall contain a list of the items to be apportioned in accordance with Sections 12(c), (d) and (e). Not later than three Business Days prior to the Closing Date, the Purchaser shall deliver to the Seller a written statement of objection or agreement to such settlement statement. If the Purchaser objects to any portion of the settlement statement, the Seller and the Purchaser shall, reasonably and in good faith, negotiate and agree upon a final settlement statement. All other costs, fees and income related to an REO Property shall, unless otherwise specifically allocated in this Purchase Agreement, be allocated in accordance with customary practice for properties similar to the REO Property located in the county in which the REO Property is located.

(g) With respect to any Asset, the obligations of the Seller and the Purchaser pursuant to this Section 12 shall survive for a period of 395 days after the related Closing Date, during which period Seller and Purchaser shall agree on a reconciliation of the apportionments described herein, if necessary.

SECTION 13. Indemnification.

(a) The Seller shall indemnify and hold harmless the Purchaser and its successors and assigns, from and against any loss, liability, expense, claim, damage or injury ("Damages") suffered or sustained by reason of any acts, omissions or alleged acts or omissions arising out of any representations and warranties being untrue or incorrect at the time any such representation or warranty was made, or arising out of or based on the arrangement created by this Purchase Agreement and the activities of the Seller taken pursuant hereto, including any judgment, award, settlement, reasonable attorneys, fees and other costs or expenses incurred in connection with the defense of any actual or threatened action, proceeding or claim; provided, however, that the Seller shall not indemnify the Purchaser or its successors and assigns if such acts, omissions or alleged acts or omissions constitute fraud, willful misfeasance, bad faith or gross negligence by the Purchaser or were taken at the direction of or with the consent of the Purchaser. Any indemnification under this Section 13 shall survive the termination of this Purchase Agreement for a period of five years; provided, however, that any indemnification under this Section 13 with respect to breaches of Extended Representations and Warranties shall survive indefinitely, subject to applicable statutes of limitations; and provided, further, that, with respect to each Asset purchased by a Purchaser hereunder, any indemnification related thereto under this Section 13 with respect to breaches of representations and warranties set forth on Exhibits C-1, C-2 or C-3, other than Extended Representations and Warranties, shall survive the termination of this Purchase Agreement until the date that is the six (6) month anniversary of the date such Asset is sold, transferred or otherwise conveyed to a third party, or, if it is a Mortgage Loan, repaid in full.

(b) The Seller shall not have any indemnification obligation under Section 13(a) unless and until the aggregate amount of Damages incurred by all Purchasers or their respective successors or assigns in respect of all such acts, omissions or alleged act or omissions exceeds $1,000,000, whereupon the Purchaser or its successors or assigns shall be entitled to recover all such Damages to the extent the aggregate amount of Damages incurred by all Purchasers and their respective successors or assigns exceeds $1,000,000.

(c) Notwithstanding anything to the contrary contained in this Purchase Agreement, the Seller shall not be liable or otherwise responsible for consequential, incidental, special, indirect, exemplary or punitive damages or for any diminution in value of the Assets.

(d) Conduct of Third Party Claims.

(i) Whenever a claim for indemnification shall arise under this Section 13 as a result of a third-party claim, the party seeking indemnification (the "Indemnified Party"), shall notify the party from whom such indemnification is sought (the "Indemnifying Party") in writing of claim and the facts constituting the basis for such claim in reasonable detail;

(ii) Such Indemnifying Party shall have the right to retain the counsel of its choice in connection with such claim and to participate at its own expense in the defense of any such claim; provided, however, that counsel to the Indemnifying Party shall not (except with the consent of the relevant Indemnified Party) also be counsel to such Indemnified Party. In no event shall the Indemnifying Party be liable for fees and expenses of more than one counsel (in addition to any local counsel) separate from its own counsel for all Indemnified Parties in connection with any one action or separate but similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances. Notwithstanding anything to the contrary in the foregoing, (A) if defendants in any action include any Indemnified Party and any Indemnifying Party, and any Indemnified Party shall have been advised by its counsel that there may be material legal defenses available to such Indemnified Party inconsistent with those available to the Indemnifying Party, the Indemnified Party shall have the right to employ its own counsel in such action, and in such case the fees and expenses of the Indemnified Party's counsel shall be borne by such Indemnified Party and (B) if a conflict of interest exists between any Indemnified Party and any such Indemnifying Party with respect to such claim or the defense thereof, the Indemnified Party shall have the right to employ its own counsel in such action, and in such case the fees and expenses of the Indemnified Party's counsel shall be borne by the Indemnifying Party; and

(iii) No Indemnifying Party shall, without the prior written consent of the Indemnified Parties (which consent shall not be unreasonably withheld), settle or compromise or consent to the entry of any judgment with respect to any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever in respect of which indemnification could be sought under this Section 13 unless such settlement, compromise or consent (A) includes an unconditional release of each Indemnified Party from all liability arising out of such litigation, investigation, proceeding or claim and (B) does not include a statement as to or an admission of fault, culpability or a failure to act by or on behalf of any Indemnified Party.

SECTION 14. Notices.

All demands, notices and communications hereunder shall be in writing and shall be deemed to have been duly given if personally delivered to or mailed, by certified mail, postage prepaid, by overnight mail or courier service, or transmitted by facsimile and confirmed by a similar mailed writing as follows:

If to Fletcher, to:

Fletcher International, Inc.
48 Wall Street
5th Floor
New York, NY 10005-2911
Telephone: ((212) 284-4800
Fax: (212) 284-4801
Attention: Denis Kiely

or such other address or facsimile number as may hereafter be furnished to the Seller in writing by Fletcher.

If to the Seller, to:

United Community Bank
Attn: David Shearrow
125 Highway 515 East
Blairsville, GA 30514
Telephone: (706) 781-2265
Fax: (706) 781-6713

with a copy to:

Kilpatrick Stockton LLP
1100 Peachtree Street
Suite 2800
Atlanta, GA 30309
Attn: James W. Stevens
Telephone: (404) 815-6500
Fax: (404) 541-3400

or to such other address or facsimile number as the Seller may designate in writing to Fletcher and to each Purchaser.

If to a Purchaser, to the address and facsimile number designated in its Joinder or to such other address or facsimile numbers as the Purchaser may designate in writing to the Seller.

SECTION 15. Representations, Warranties and Agreements to Survive Delivery.

All representations, warranties and agreements contained in this Purchase Agreement, incorporated herein by reference or contained in the certificates of officers of the Seller submitted pursuant hereto, shall remain operative and in full force and effect and shall survive delivery of the Assets by the Seller to the Purchaser or its designee for a period of five years beyond the applicable Closing Date, other than (i) Extended Representations and Warranties, which shall survive indefinitely, subject to applicable statutes of limitations, and (ii) representations and warranties set forth on Exhibits C-1, C-2 or C-3, other than Extended Representations and Warranties, shall survive the termination of this Purchase Agreement until the date that is the six (6) month anniversary of the date such Asset is sold, transferred or otherwise conveyed to a third party, or, if it is a Mortgage Loan, repaid.

SECTION 16. Severability of Provisions.

Any part, provision, representation, warranty or covenant of this Purchase Agreement that is prohibited or which is held to be void or unenforceable shall be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof. Any part, provision, representation, warranty or covenant of this Purchase Agreement that is prohibited or unenforceable or is held to be void or unenforceable in any particular jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by applicable law, the parties hereto waive any provision of law which prohibits or renders void or unenforceable any provision hereof.

SECTION 17. Rights Cumulative; Waivers.

The rights of each of the parties under this Purchase Agreement are cumulative and may be exercised as often as any party considers appropriate. The rights of each of the parties hereunder shall not be capable of being waived or varied otherwise than by an express waiver or variation in writing. Any failure to exercise or any delay in exercising any of such rights shall not operate as a waiver or variation of that or any other such right.

SECTION 18. Headings.

The headings of the Sections contained in this Purchase Agreement are inserted for convenience only and shall not affect the meaning or interpretation of this Purchase Agreement or any provision hereof.

SECTION 19. Counterparts.

The parties may execute and deliver this Purchase Agreement as a single document or in any number of counterparts, manually, by facsimile or by other electronic means, including contemporaneous xerographic or electronic reproduction by each party's respective attorneys. Each counterpart shall be an original, but a single document or all counterparts together shall constitute one instrument that shall be the agreement.

SECTION 20. Entire Agreement; Separation of Agreements.

This Purchase Agreement (including the Appendix and the Exhibits attached to this Purchase Agreement) constitutes the entire agreement among the parties with respect to the subject matter of this Purchase Agreement and supersede all prior agreements, representations and understandings related to such subject matters. The parties acknowledge and agree that this Purchase Agreement and the Securities Purchase Agreement are wholly separate and distinct agreements that are supported by separate consideration. Notwithstanding anything to the contrary contained herein or in the Securities Purchase Agreement, the parties' obligations under this Purchase Agreement are separate and distinct from the parties' obligations under the Securities Purchase Agreement. Accordingly, breach by any party of any of the provisions of this Purchase Agreement shall not excuse performance by, or provide the basis for any remedy for, any party under the Securities Purchase Agreement. Likewise, breach by either party of any of the provisions of the Securities Purchase Agreement shall not excuse performance by, or provide the basis for any remedy for, any party under this Purchase Agreement.

SECTION 21. GOVERNING LAW.

THIS PURCHASE AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK, AND EACH OF THE PARTIES HERETO HEREBY SUBMITS TO THE EXCLUSIVE JURISDICTION OF ANY STATE OR FEDERAL COURT IN NEW YORK CITY, NEW YORK AND ANY COURT HEARING ANY APPEAL THEREFROM, OVER ANY SUIT, ACTION OR PROCEEDING AGAINST IT ARISING OUT OF OR BASED UPON THIS PURCHASE AGREEMENT (A "RELATED PROCEEDING"). EACH OF THE PARTIES HERETO HEREBY WAIVES ANY OBJECTION TO ANY RELATED PROCEEDING IN SUCH COURTS WHETHER ON THE GROUNDS OF VENUE, RESIDENCE OR DOMICILE OR ON THE GROUND THAT THE RELATED PROCEEDING HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

SECTION 22. Further Assurances.

The Seller and the Purchasers agree to execute and deliver such instruments and take such further actions as the other party may, from time to time, reasonably request in order to effectuate the purposes and to carry out the terms of this Purchase Agreement.

SECTION 23. Successors and Assigns.

This Purchase Agreement will inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns and, with respect to Section 13, will inure to the benefit of their respective officers, directors, employees, consultants, agents, attorneys, accountants and affiliates and each Person that controls (within the meaning of Section 20 of the Securities Exchange Act of 1934, as amended) any of the foregoing Persons, and no other Person will have any right or obligation hereunder. The rights and obligations of the Seller and a Purchaser under this Purchase Agreement shall not be assigned by either such party without the prior written consent of the other such party, which consent shall not be unreasonably withheld, conditioned or delayed, except that (a) any person into which the Seller may be merged or consolidated, or any corporation or other entity resulting from any merger, conversion or consolidation to which the Seller is a party, or any person succeeding to all or substantially all of the business of the Seller, shall be the successor to the Seller hereunder and (b) any person into which a Purchaser may be merged or consolidated, or any corporation or other entity resulting from any merger, conversion or consolidation to which such Purchaser is a party, or any person succeeding to all or substantially all of the business of such Purchaser, shall be the successor to such Purchaser hereunder. Notwithstanding the foregoing, the Purchaser may, in whole or in part, in its sole discretion (i) assign, pledge, hypothecate or transfer this Purchase Agreement or any of the rights and associated obligations contemplated by this Purchase Agreement to any other Purchaser or any Fletcher affiliates, parallel investment funds, co-investment funds or successor investment funds of the Purchaser, and (ii) pledge or hypothecate any of the rights and associated obligations contemplated by this Purchase Agreement in connection with financing, derivative or hedging transactions with respect to this Purchase Agreement, provided, that, any such assignment, pledge, hypothecation or transfer must comply with applicable federal and state securities laws. Except as provided in this Section 23, this Agreement is not intended to confer upon any Person other than the parties hereto any rights or remedies hereunder.

SECTION 24. Amendments.

This Agreement may be amended, modified or supplemented in any and all respects, but only by a written instrument signed by a duly authorized officer of the party against whom such amendment, waiver, modification or alteration is sought to be enforced expressly stating that such instrument is intended to amend, modify or supplement this Agreement.

SECTION 25. Reports of the Seller.

The Seller and the Servicer shall cooperate with and, upon request, provide to the Purchaser or to the then current owner such information as may be reasonably necessary to prepare or cause to be prepared any tax returns that may be required by applicable federal, state and local law.

SECTION 26. Confidentiality

Prior to consummation of all of the transactions contemplated by this Purchase Agreement, the parties to this Purchase Agreement will provide one another with information which may be deemed by the party providing the information to be confidential. Each party agrees that it will hold confidential and protect all information provided to it by the other party to this Purchase Agreement or such party's affiliates, except that the obligations contained in this Section 26 shall not in any way restrict the rights of any party or person to use information that: (a) was known to such party prior to the disclosure by the other party; (b) is or becomes generally available to the public other than by breach of this Purchase Agreement; (c) otherwise becomes lawfully available to a party to this Purchase Agreement on a non-confidential basis from a third party who is not under an obligation of confidence to the other party to this Purchase Agreement or (d) was independently developed by such party without use of such information, as shown by such party's files and records or other evidence in such party's possession. Notwithstanding the foregoing, a party may disclose any of such information to directors, officers, employees, agents, advisors (including legal counsel and accountants) and to its representatives or representatives of its affiliates, who in each case need to know such information and who in each case have been informed by the undersigned of the confidential nature of such information.

If a party is required by applicable law, regulation, rule or order issued by any administrative, governmental, regulatory, judicial or stock exchange authority, or in response to a request from such party's auditors, to disclose any portion of such information, the party may disclose such information. If this Purchase Agreement is terminated, upon request each party hereto agrees to return or destroy all documents, statements and other written materials, whether or not confidential, and all copies thereof, provided to it by or on behalf of the other party to this Agreement except to the extent that such party is required by law, regulation, internal procedure or court order to retain such information and such related documents for audit or regulatory purposes. The provisions of this Section 26 shall survive termination, for any reason whatsoever, of this Purchase Agreement for twelve (12) months or until such earlier time as all such information becomes publicly known and made generally available through no action or inaction of such party in violation of this Purchase Agreement, and, without limiting the remedies of the parties hereto in the event of any breach of this Section 26, the parties hereto will be entitled to seek injunctive relief against the other party in the event of a breach or threatened breach of this Section 26.

SECTION 27. Press Releases

Prior to consummation of all of the transactions contemplated by this Purchase Agreement, the parties to this Purchase Agreement shall each approve the form and substance of any press release or other public disclosure materially related to this Purchase Agreement or any other transaction contemplated hereby; provided, however, that nothing in this Section 27 shall be deemed to prohibit any party from making any disclosure which its counsel deems necessary or advisable in order to satisfy such party's disclosure obligations imposed by law.

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IN WITNESS WHEREOF, the Seller and Fletcher have caused their names to be signed hereto by their respective duly authorized officers as of the date first above written.

UNITED COMMUNITY BANK
as Seller

By: /s/ Rex S. Schuette
Name: Rex S. Schuette
Title: Executive Vice President & Chief Financial Officer

FLETCHER INTERNATIONAL, INC.,
by its duly authorized investment advisor,
FLETCHER ASSET MANAGEMENT, INC.

By: /s/ Moez M. Kaba
Name: Moez M. Kaba
Title: Authorized Signatory

By: /s Denis J. Kiely
Name: Denis J. Kiely
Title: Director

Appendix A

USAGE AND SUPPLEMENTAL DEFINITIONS

Usage

The following rules of construction and usage apply to this Appendix, any agreement that incorporates this Appendix and any document made or delivered pursuant to any such agreement:

(a) The term "documents" includes any and all documents, agreements, instruments, certificates, notices, reports, statements or other writings however evidenced, whether in electronic or physical form.

(b) Accounting terms not defined or not completely defined in this Appendix will be construed in conformity with GAAP as in effect on the date of the document that incorporates this Appendix.

(c) References to "Section," "Exhibit," "Schedule" or another subdivision of or to an attachment are, unless otherwise specified, to an article, section, exhibit, schedule or subdivision of or an attachment to the document in which such reference appears.

(d) Any document defined or referred to in this Appendix or in any document that incorporates this Appendix means such document as from time to time amended, modified, supplemented or replaced, including by waiver or consent, and includes all attachments to and instruments incorporated in such document.

(e) Any statute defined or referred to in this Appendix or in any document that incorporates this Appendix means such statute as from time to time amended, modified, supplemented or replaced, including by succession of comparable successor statutes, and includes any rules and regulations promulgated under such statute and any judicial and administrative interpretations of such statute.

(f) Calculation of any amount on or as of any date will be determined at or as of the close of business on such day after the application of any monies, payments and other transactions to be applied on such day, except that calculations as of the Cut-off Date will be determined as of the close of business on the day immediately prior thereto after the application of any monies, payments and other transactions to be applied on such day.

(g) In the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including," the word "to" means "to but excluding" and the word "through" means "to and including."

(h) All terms defined in this Appendix apply to the singular and plural forms of such terms and the term "including" means "including without limitation."

(i) References to a Person are also to its permitted successors and assigns.

Supplemental Definitions

Whenever used herein, the following words and phrases, unless the content otherwise requires, have the following meanings:

"Acceptable Insurer": An insurance company which has a claims-paying ability rated at least "A-" by Fitch, Inc., at least "A2" by Moody's Investors Service, Inc. or at least "A" by Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc.

"Accepted Servicing Practices" has the meaning specified in Section 1 of the Servicing Agreement.

"Affiliate": With respect to any specified Person, any other Person that directly, or indirectly through one or more intermediaries, controls or is controlled by or under common control or ownership with such specified Person. For the purposes of this definition, "control" when used with respect to any specified Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract, relation to individuals or otherwise, and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"ALTA": The American Land Title Association or any successor thereto.

"Appraisal": A narrative appraisal conducted by a Qualified Appraiser.

"Appraisal Performance Event": With respect to any Mortgage Loan, the occurrence of any of:

(a) a modification of the terms of such Mortgage Loan which changes the Mortgage Interest Rate or Mortgage Note Principal Balance (including the accrued and unpaid interest thereon) or reduces the monthly payment or alters or introduces any principal amortization feature or extends the term of the Mortgage Loan,

(b) the related Mortgagor becoming the subject of a bankruptcy, insolvency or similar proceeding which, if brought by a third party, is not dismissed within 60 days or a receiver, conservator or trustee being appointed for the Mortgaged Property and such appointment continues for 60 days, or

(c) the related Mortgaged Property becoming REO Property.

"Appraised Value": With respect to any Mortgage Loan, the value of the related Mortgaged Property based upon the most recent appraisal made.

"Asset List": The list of Assets sold pursuant to the Purchase Agreement and a Bill of Sale, which shall be prepared by the Seller and attached as Schedule A to such Bill of Sale, and which shall set forth, as of the end of the Business Day immediately prior to the date of the Bill of Sale (unless the information is expressly stated to be as of the Cut-off Date, in which case, as of such Cut-off Date) the following information:

(a) with respect to each Mortgage Loan (if any):

(1) the Mortgage Loan identifying number;

(2) the MERS#, if applicable;

(3) the Mortgagor's name;

(4) the street address of the Mortgaged Property, including the unit number, if any, and the city, state and zip code or other description of the Mortgaged Property's location (exact address);

(5) if a residential mortgage, a code indicating whether or not the Mortgagor indicated in his loan application that the Mortgaged Property is owner-occupied and whether it is the primary residence of the Mortgagor (to the extent such information is known to the Seller) (property type, loan type and purpose code description);

(6) if a residential mortgage, the private mortgage insurance coverage and name of insurer, if any;

(7) if a residential dwelling, a code indicating the type of residential dwelling constituting the Mortgaged Property (to the extent such information is known to the Seller) (purpose code description);

(8) the property type (purpose code description);

(9) the existence of any Ground Leases;

(10) the maturity date;

(11) the Mortgage Interest Rate in effect on the Cut-off Date;

(12) the date of origination or renewal of the Mortgage Loan;

(13) the current payment amount due as of the Cut-off Date;

(14) the last payment date and last amount received on which a contractual payment was actually applied to interest or to the principal balance of the Mortgage Loan;

(15) the original principal balance (note amount) of each Mortgage Loan;

(16) the principal balance of the Mortgage Loan (including any accrued and unpaid interest thereon) as of the close of business on the Cut-off Date (current payment amount due);

(17) the contractual delinquency of the Mortgage Loan (0-29 days; 30 to 59 days; 60 to 89 days) as of the Cut-off Date;

(18) a code indicating whether the Mortgagor is in bankruptcy;

(19) a code indicating whether the Mortgage is in foreclosure; and

(20) the dollar amount of any delinquency in respect of principal and interest as of the Cut-off Date (amount is included in current payment amount due);

(b) with respect to each pool of Mortgage Loans (if any) in the aggregate, (1) the number of Mortgage Loans; (2) the weighted average maturity of the Mortgage Loans, (3) the weighted average Mortgage Interest Rate of the Mortgage Loans and (4) the aggregate Carrying Value of the Mortgage Loans;.

(c) with respect to each REO Property (if any),

(1) the REO Property identifying number;

(2) the street address of the REO Property, including the unit number, if any, and the city, state and zip code or other description of the REO Property's location;

(3) the legal address of the REO Property;

(4) property type;

(5) occupancy status; and

(d) with respect to the REO Properties (if any) in the aggregate, the aggregate Carrying Value of such REO Properties.

"Assets": The Mortgage Loans and REO Properties that are sold to the Purchasers pursuant to the Purchase Agreement and which, with respect to each Closing, are identified in a schedule to a Bill of Sale, together with any related property, including the related Loan Files, Property Files and Servicing Files.

"Assignment of Leases, Rents and Profits": With respect to any Mortgaged Property, any assignment of leases, rents and profits or similar agreement executed by the Mortgagor, assigning to the mortgagee all of the income, rents and profits derived from the ownership, operation, leasing or disposition of all or a portion of such Mortgaged Property, in the form which was duly executed, acknowledged and delivered, as amended, modified, renewed or extended through the date hereof and from time to time hereafter.

"Breaching Asset": An Asset or Offered Asset that is in breach of any representation or warranty set forth in Exhibits C-1, C-2 or C-3, as applicable (which representations and warranties for purposes of this definition shall be deemed to have been made without regard to any qualification of knowledge or actual knowledge by the Seller).

"Business Day": Any day other than a Saturday, a Sunday or a day on which banking institutions or trust companies in the New York, New York or the State of Georgia are authorized or obligated by law, regulation or executive order to close.

"Carry Account": With respect to a Purchaser, the meaning set forth in such Purchaser's Loan Agreement.

"Carrying Value": With respect to an asset, the Seller's carrying value thereof as of the Cut-off Date as determined in accordance with GAAP consistently applied, all as mutually agreed by the Seller and the Purchaser, net of any payments applied to principal after the Cut-off Date (payments received with respect to any Asset shall first be applied to accrued and unpaid interest on the related Mortgage Note and then applied to principal thereof unless such asset is a non-performing mortgage loan, in which case payments received shall first be applied to principal in accordance with GAAP consistently applied).

"Closing": The payment (or deemed payment) of the related Purchase Price and conveyance of the related Assets as evidenced in a Bill of Sale.

"Closing Date": With respect to any Closing or Substitution, the effective date of such Closing, or with respect to any Substitution, the effective date of such Substitution.

"Closing Documents": The meaning specified in Section 10 of the Purchase Agreement.

"Collection Account": The securities or deposit account established by a Purchaser for the receipt of collections and the net proceeds of dispositions or events of loss with respect to such Purchaser's Assets.

"Collections": The meaning specified in Section 2(b) of Exhibit G.

"Condemnation Proceeds": All proceeds paid or awarded in connection with the full or partial condemnation of, or exercise of eminent domain with respect to, a Mortgaged Property, to the extent such proceeds are not applied to the restoration or repair of the related Mortgaged Property or released to the Mortgagor or any tenants or ground lessors.

"Cut-off Date": The date specified as such in Exhibit A and in the related Bill of Sale, with respect to each Closing, or such other date as may be mutually agreed to by the Seller and the Purchaser.

"Default Interest": With respect to any Mortgage Loan, interest at the applicable Default Rate and borne by the applicable Mortgage Note following a Mortgage Event of Default.

"Default Rate": With respect to any Mortgage Loan, the "default rate", "default interest rate" or other similar rate at which interest accrues during the continuance of a Mortgage Event of Default as specified in the related Mortgage Note, but only to the extent that such interest accrues at a rate in excess of the Mortgage Interest Rate.

"Environmental Claim": Any claim, action, cause of action, suit, proceeding, investigation, order, demand or notice (written or oral) by any Person alleging potential liability (including, without limitation, potential liability for investigatory costs, cleanup costs, governmental response costs, natural resources damages, property damages, personal injuries, or penalties) arising out of, based on or resulting from the presence, or Release into the environment of, or exposure to, any Hazardous Substance at a Mortgaged Property, or circumstances forming the basis of any violation, or alleged violation, of any Environmental Law.

"Environmental Law": Any and all federal, state and local laws, rules or regulations, any judicial or administrative orders, decrees or judgments thereunder, and any permits, approvals, licenses, registrations, filings and authorizations relating to the environment or the Release or threatened Release of Hazardous Substances into the indoor or outdoor environment including, without limitation, ambient air, soil, surface water, ground water, wetlands, land or subsurface strata or otherwise relating to the release of Hazardous Substances.

"Escrow Payments": With respect to any Mortgage Loan, the amounts constituting ground rents, taxes, assessments, water rates, sewer rents, municipal charges, mortgage insurance premiums, fire and hazard insurance premiums, condominium charges, and any other payments required to be escrowed by the Mortgagor with the mortgagee pursuant to the Mortgage or any other related document.

"Extended Representations and Warranties": The representations and warranties set forth in:

(a) paragraphs 1 (*Ownership of Assets*), 2 (*Authority to Transfer Assets*), 13 (*Environmental Conditions*) and 27 (*Litigation*) of Exhibit C-1;

(b) paragraphs 1 (*Ownership of Assets*), 2 (*Authority to Transfer Assets*), 13 (*Environmental Conditions*), 14 (*Consumer Regulations*), 15 (*HOEPA*) and 29 (*Litigation*) of Exhibit C-2; and

(c) paragraphs 1 (*Ownership of Assets*), 2 (*Authority to Transfer Assets*), 7 (*Environmental Conditions*) and 10 (*Litigation*) of Exhibit C-3.

"FDIC": The Federal Deposit Insurance Corporation.

"Fletcher": Fletcher International, Inc., a Delaware company.

"GAAP": U.S. generally accepted accounting principles.

"Ground Lease": A ground lease of a Mortgaged Property.

"Hazardous Substance": Other than any chemical, material or substance that is used or stored in a manner that is consistent with, and would not result in liability under, any applicable Environmental Law, collectively, (a) any petroleum, petroleum products or waste oils, explosives, radioactive materials, asbestos, urea formaldehyde foam insulation, polychlorinated biphenyls ("PCBs"), lead in drinking water, radon and lead-based paint, (b) any chemicals or other materials or substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "extremely hazardous wastes," "restricted hazardous wastes," "toxic substances," "toxic pollutants," "contaminants," "pollutants," or words of similar import under any Environmental Law and (c) any other chemical or any other material or substance, exposure to which is prohibited, limited or regulated under any Environmental Law.

"HOEPA": The meaning specified in paragraph 15 of Exhibit C-2.

"Immaterial Modification": Any immaterial modification, waiver or amendment of a Mortgage Loan that is not a Material Modification and that would not adversely affect the interests of the Purchaser in such Mortgage Loan, including, without limitation: (i) waivers of minor covenant defaults (other than financial covenants), including late financial statements, (ii) grants of easements that do not materially adversely affect the use, operation or value of any Mortgaged Property or the obligation of a Mortgagor to pay the related Mortgage Loan and (iii) any other modifications, waivers or amendments that the Servicer determines, in accordance with Accepted Servicing Practices, are of a routine nature and which are made in accordance with Accepted Servicing Practices. In no event shall any Immaterial Modification result in the extension of the maturity date of a Mortgage Loan, a reduction in the Mortgage Interest Rate borne by a Mortgage Loan or the contractual payment payable on a Mortgage Loan or a deferral or forgiveness of interest on or principal of a Mortgage Loan or a modification or waiver of any other monetary term of a Mortgage Loan relating to the timing or amount of any payment of principal or interest.

"Independent": When used with respect to any specified Person, means such a Person who does not have any direct financial interest or any material indirect financial interest in any Mortgagor, the Seller, the Servicer or any of their respective Affiliates.

"Insurance Proceeds": Proceeds of any title policy, hazard policy or insurance policy covering a Mortgage Loan, if any, to the extent such proceeds are not to be applied to the restoration of the related Mortgaged Property or released to the Mortgagor in accordance with the terms of the related Mortgage.

"Interested Person": As of any date of determination and with respect to any Mortgage Loan or related Mortgaged Property or REO Property, the Seller, the Servicer or any of their respective Affiliates.

"Interim Period": With respect to any Asset, the period beginning on and including the Commitment Date and ending on but excluding the Closing Date on which such Asset is purchased by a Purchaser.

"Joinder": An agreement substantially in the form of Exhibit E or such other form as mutually acceptable to the Seller and the Person entering into such agreement (as evidenced by their execution thereof) pursuant to which the Person other than the Seller agrees that it will be deemed to be a party to and a Purchaser under the Purchase Agreement upon execution of a Bill of Sale.

"Lender": United Community Bank, as lender pursuant to a Loan Agreement.

"Liquidation Expenses": Reasonable, customary and necessary out-of-pocket costs and expenses incurred by the Servicer on behalf of the Purchaser in connection with the liquidation of a Mortgage Loan or the liquidation of a REO Property, including, without limitation, legal fees and expenses, committee or referee fees, brokerage commissions and conveyance taxes.

"Liquidation Proceeds": Cash (other than Insurance Proceeds or Condemnation Proceeds) received in connection with the liquidation of a Mortgage Loan, whether through the sale or assignment of such Mortgage Loan, judicial foreclosure, foreclosure sale, sale of REO Property, or otherwise, or the sale of the related Mortgaged Property if the Mortgaged Property is acquired in satisfaction of the Mortgage Loan, other than amounts required to be paid to the related Mortgagor pursuant to law or the terms of such Mortgage Loan.

"Loan Agreement": A loan agreement entered into between United Community Bank, as lender, and a Purchaser, substantially in the form of Exhibit J to the Purchase Agreement unless another form is mutually agreed upon between such lender and such Purchaser, pursuant to which United Community Bank will lend 80% of the aggregate Purchase Price of the Assets purchased by such Purchaser.

"Loan File": The meaning specified in Exhibit B-1 to the Purchase Agreement.

"Major Lease": A material lease at a Mortgaged Property with respect to which the related Mortgage Loan Documents grant the Mortgage Lender the right to consent to the execution, termination or renewal of such lease.

"Material Adverse Effect": Any material adverse effect with respect to (a) the business, properties, assets, operations, results of operations, revenues or condition, financial or otherwise, of the Seller or the Servicer, as applicable and its subsidiaries taken as a whole, (b) the legality, validity or enforceability of the Purchase Agreement, the Servicing Agreement or the Loan Agreement or (c) the Seller's or the Servicer's ability, as applicable, to perform fully on a timely basis its obligations under the Purchase Agreement or the Servicing Agreement, as applicable.

"Material Modification": A material modification, waiver or amendment of a Mortgage Loan, excluding Immaterial Modifications but including, without limitation:

(i) any modification of, or waiver with respect to, such Mortgage Loan that would result in the extension of the maturity date thereof, a reduction in the Mortgage Interest Rate borne thereby or the contractual payment payable thereon or a deferral or forgiveness of interest on or principal of such Mortgage Loan, a modification or waiver of any other monetary term or material non-monetary term of such Mortgage Loan, including, without limitation, any such modification or waiver relating to the timing or amount of any payment of principal and interest or a modification or waiver of any provision of such Mortgage Loan which restricts the related Mortgagor from incurring additional indebtedness;

(ii) any modification or amendment of, or waiver with respect to, such Mortgage Loan that would result in a discounted pay-off of such Mortgage Loan;

(iii) any modification, waiver or amendment that would result in any release of the related Mortgagor from liability with respect to such Mortgage Loan;

(iv) any modification, waiver or amendment of a "due-on-sale" or "due-on-encumbrance" clause (other than a waiver of such a clause where such clause is not exercisable under applicable law) for a Mortgage Loan;

(v) any modification, waiver or amendment of the insurance requirements for the Mortgaged Property related to a Mortgage Loan;

(vi) any modification, waiver or amendment that would result in any substitution or release of Mortgage Collateral Security for such Mortgage Loan; or

(vii) any release of any Mortgage Collateral Security other than in connection with a payment in full of all amounts owing under the related Mortgage, a sale of an Asset or a substitution of an Asset pursuant to a Post-Closing Substitution.

"MERS" means Mortgage Electronic Registration Systems, Inc. or any successor or assign thereto.

"MERS System" means the electronic system of recording transfers of mortgages maintained by MERS.

"MIN": The meaning specified in Exhibit B-1 to the Purchase Agreement.

"MOM Loan": The meaning specified in Exhibit B-1 to the Purchase Agreement.

"Mortgage": The mortgage, deed of trust or other instrument and riders thereto securing a Mortgage Note, which creates a first lien on an unsubordinated estate in fee simple in real property securing the Mortgage Note or which secures the interest of a Mortgagor as a lessee under a Ground Lease.

"Mortgage Account": With respect to any Mortgage Loan, any cash collateral account, escrow account or reserve account or similar account established pursuant to the related Mortgage or other Mortgage Loan Document.

"Mortgage Collateral Assignment": Each instrument assigning or otherwise transferring the Seller's right, title and interest in and to a Mortgage and any other Mortgage Collateral Security to the Purchaser, which instruments shall comply in form and substance with any requirements contained in a related Mortgage Loan Document.

"Mortgage Collateral Security": Any right, interest, document, instrument or property given as security for or in guaranty of the Mortgage Loan (including, without limitation, the Mortgages, the Assignment of Leases, Rents and Profits, all Mortgage Accounts maintained with respect to such Mortgage Loan and the cash and investments credited thereto, and the rights of the mortgagee under the Required Insurance Policies and Title Insurance Policies), together with any supplement or amendment thereto and as amended from time to time hereafter.

"Mortgage Event of Default": With respect to a Mortgage Loan, an "event of default" as defined or described in the related Mortgage.

"Mortgage Interest Rate": With respect to any Mortgage Loan, the "Mortgage Interest Rate," "Interest Rate." "Applicable Interest Rate" or words of similar meaning as defined in the related Mortgage Loan Documents (without giving effect to any Default Interest).

"Mortgage Lender": The lender of a Mortgage Loan. Upon the conveyance of a Mortgage Loan to the Purchaser pursuant to this Purchase Agreement, the Purchaser shall be the Mortgage Lender until such loan is sold or is reconveyed to the Seller pursuant to a Post-Closing Substitution.

"Mortgage Loan": A commercial or residential mortgage loan which is the subject of this Purchase Agreement as identified on the Asset List attached as Schedule A to a Bill of Sale, which Mortgage Loan includes without limitation the Mortgage Loan Documents, the Loan File, the Servicing File, all payments received with respect to such mortgage loan, Principal Prepayments, Liquidation Proceeds, Condemnation Proceeds, Insurance Proceeds, REO Disposition Proceeds, all liens and security interests securing payment of the Mortgage Note and all other rights, benefits, proceeds and obligations arising from or in connection with such mortgage loan.

"Mortgage Loan Documents": With respect to a Mortgage Loan, the original related Mortgage Note (or if the original note is missing, a lost note affidavit with customary indemnification) with applicable addenda and riders, the original related security instrument, any required addenda and riders, any related assignments and any intervening related assignments and the related Title Insurance Policy (other than any internal underwriting analysis of the Seller; provided, however, the Purchaser may have access to such analysis for its review).

"Mortgage Note": The promissory note or other evidence of the indebtedness of a Mortgagor secured by a Mortgage and riders thereto.

"Mortgaged Property": The real property securing repayment of the debt evidenced by a Mortgage Note.

"Mortgagor": The obligor on a Mortgage Note.

"Net Liquidation Proceeds": The amount derived by subtracting the Liquidation Expenses from the Liquidation Proceeds. Net Liquidation Proceeds with respect to any Mortgage Loan shall be applied first to interest, expenses and other non-principal amounts due on such Mortgage Loan (except for Default Interest) and then to principal.

"Offered Assets": The Mortgage Loans and REO Properties that are offered for sale to the Purchasers pursuant to the Purchase Agreement and which are identified and described in Exhibit A to the Purchase Agreement, as such Exhibit may be updated from time to time, together with any related property, including the related Loan Files, Property Files and Servicing Files.

"Officer's Certificate": A certificate signed by the President and Chief Executive Officer or any Executive Vice President, and delivered to the Purchaser as required by this Purchase Agreement.

"Opinion of Counsel": A written opinion of counsel, who may be an employee of the Seller, reasonably acceptable to the Purchaser.

"Optional Exchange": The meaning specified in Section 2(b) of the Purchase Agreement.

"Permitted Encumbrances": With respect to a Mortgaged Property or an REO Property, (a) the lien of current real and personal property taxes, water rates, sewer rents and assessments or payments to the taxing authority in lieu thereof not yet due or delinquent, (b) covenants, conditions and restrictions, rights of way easements and other matters of public record or reflected on the related survey, (c) encumbrances and exceptions specifically referred to in the Title Insurance Policy issued or, as evidenced by a "marked-up" commitment for title insurance, to be issued in respect of the Mortgaged Property or REO Property, as applicable, (d) rights of tenants as tenants only and (e) where a Mortgaged Property or REO Property is a condominium unit, the lien of a condominium association on such Mortgaged Property or REO Property for unpaid maintenance or common expense assessments which in either case are not yet due and payable.

"Person": Any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization, government or any agency or political subdivision thereof.

"Post-Closing Substitution": With respect to a substitution of a Breaching Asset by a Purchaser after such Breaching Asset's Closing Date, the meaning specified in Section 7(a) of the Purchase Agreement.

"Pre-Closing Substitution": With respect to a substitution of a Breaching Asset by a Purchaser prior to such Breaching Asset's Closing Date, the meaning specified in Section 2(c) of the Purchase Agreement.

"Principal Balance": As to each Mortgage Loan, the actual outstanding principal balance of the Mortgage Loan at the Cut-off Date after giving effect to payments of principal and to all amounts attributable to principal collected from or on behalf of the Mortgagor, including the principal portion of Liquidation Proceeds, Condemnation Proceeds, and Insurance Proceeds, in each case in accordance with GAAP consistently applied.

"Principal Prepayment": Any payment or other recovery of principal on a Mortgage Loan which is received in advance of its scheduled due date, including any prepayment penalty or premium thereon and which is not accompanied by an amount of interest representing scheduled interest due on any date or dates in any month or months subsequent to the month of prepayment.

"Property File": The meaning specified in Exhibit B-2 to the Purchase Agreement.

"Purchase Agreement": The Asset Purchase and Sale Agreement dated as of April 1, 2010, among United Community Bank, a bank organized under the laws of the State of Georgia, as Seller, Fletcher International, Inc., a Delaware company, and each affiliate of Fletcher International, Inc. that becomes a party to such agreement as a purchaser, as amended, modified or otherwise in effect.

"Purchase Price": With respect to any Asset, the Carrying Value thereof as of the related Cut-off Date.

"Purchaser": An affiliate of Fletcher International, Inc., that has become a party to the Purchase Agreement by entering into a Joinder thereto.

"Qualified Appraiser": An appraiser who is Independent, a member in good standing of the Appraisal Institute with an MAI membership designation and who is on the Seller's approved appraiser list.

"Release": Any release, spill, emission, leaking, pumping, injection, deposit, disposal, discharge, dispersal, leaching or migration into the indoor or outdoor environment, including, without limitation, the movement of Hazardous Substances through ambient air, soil, surface water, ground water, wetlands, land or subsurface strata.

"REO Disposition": The final sale of any REO Property.

"REO Disposition Proceeds": All amounts received with respect to an REO Disposition.

"REO Property": A Mortgaged Property acquired through foreclosure, deed in lieu of foreclosure, power of sale or otherwise.

"Required Insurance Policy": Any insurance policy which is required to be maintained from time to time under a Mortgage or other Mortgage Loan Document.

"Securities Purchase Agreement": The Securities Purchase Agreement, dated as of April 1, 2010, between United Community Banks, Inc., a corporation organized under the laws of Georgia, and Fletcher International, Ltd., a company domiciled in Bermuda, as amended, restated or otherwise modified and in effect from time to time.

"Seller": United Community Bank, in its capacity as seller pursuant to the Purchase Agreement and each Bill of Sale.

"Servicer": United Community Bank, in its capacity as servicer pursuant to a Servicing Agreement entered into with a Purchaser, or any of its successors or permitted assigns.

"Servicer Event of Default": The meaning specified in Section 27 of the Servicing Agreement.

"Servicing Agreement": A servicing agreement between United Community Bank and a Purchaser substantially in the form of Exhibit G to the Purchase Agreement unless another form is mutually agreed upon between such United Community Bank and such Purchaser, pursuant to which United Community Bank will service, manage, restructure and sell the Purchaser's Assets at the direction of the Purchaser.

"Servicing File:" The meaning specified in Section 2(i) of the Purchase Agreement.

"Sub-Servicer": Any Person with which the Servicer has entered into a Sub-Servicing Agreement and which satisfies the requirements set forth in the Servicing Agreement.

"Sub-Servicing Agreement": A written contract between the Servicer and any Person relating to the servicing or the administration of an Asset as an agent of the Servicer.

"Substitution": A Pre-Closing Substitution pursuant to Section 2(c) of the Purchase Agreement or a Post-Closing Substitution pursuant to Section 7 of the Purchase Agreement, as applicable.

"Substitution Period": The meaning specified in Section 7(a) of the Purchase Agreement.

"Taxes": The meaning specified in Section 12(d) of the Purchase Agreement.

"Title Insurance Policy": With respect to (i) each Mortgage Loan, the ALTA (or equivalent) mortgagee title insurance policy or policies issued with respect to the Mortgaged Property for such Mortgage Loan and insuring the first priority mortgage lien in favor of the Purchaser pursuant to the related Mortgage and containing certain endorsements and affirmative assurances and (ii) each REO Property, the ALTA (or equivalent) owner's title insurance policy or policies issued with respect to the REO Property and insuring title in favor of the Purchaser and containing certain endorsements and affirmative assurances.

"UCB Breach": The occurrence of any event specified in Section 8(d) of the Purchaser Agreement.

"UCBI": United Community Banks, Inc., a corporation organized under the laws of the State of Georgia.

"USAP": Uniform Single Attestation for Mortgage Bankers.

"Use": With respect to any Hazardous Substance, the generation, manufacture, processing, distribution, handling, use, treatment, recycling or storage of such Hazardous Substance.

REPRESENTATIONS AND WARRANTIES OF THE SELLER
REGARDING ASSETS THAT ARE COMMERCIAL MORTGAGE LOANS

With respect to the Assets, as of the Closing Date (except as may be specified in the representation and warranty and except for the exceptions specifically agreed upon by the Purchaser in writing), the Seller represents and warrants as to such Assets:

1. *Ownership of Assets.* Immediately prior to the transfer thereof to the Purchaser, the Seller had good and marketable title to, and was the sole owner and holder of, such Assets, free and clear of any and all liens, encumbrances and other interests on, in or to such Asset other than Permitted Encumbrances.

2. *Authority to Transfer Assets.* The Seller has full right and authority to sell, assign and transfer such Assets.

3. *Asset List.* The information *pertaining* to such Assets set forth in the Asset List is true and correct in all material respects as of the related Closing Date.

4. *Permitted Encumbrances.* Subject to the disclosures under the "Lien Releases" representation in paragraph 30 below, if any, the related Mortgage constitutes a valid first lien upon the related Mortgaged Property, including all buildings located thereon and all fixtures attached thereto, such lien being subject only to Permitted Encumbrances. The Permitted Encumbrances do not materially interfere with the security intended to be provided by the related Mortgage or the current use or operation of the related Mortgaged Property.

5. *Title Insurance.* The lien of the related Mortgage is insured by a mortgagee Title Insurance Policy, or its equivalent as adopted in the applicable jurisdiction, issued by a nationally recognized title insurance company, insuring the originator of such Mortgage Loan, its successors and assigns, as to the first priority lien of the Mortgage in the original principal amount of the Mortgage Loan, subject only to Permitted Encumbrances (or, if a Title Insurance Policy has not yet been issued in respect of the Mortgage Loan, a policy meeting the foregoing description is evidenced by a commitment for title insurance "marked-up" at the closing of such loan). Each Title Insurance Policy (or, if it has yet to be issued, the coverage to be provided thereby) is in full force and effect, all premiums thereon have been paid and no material claims have been made thereunder and no claims have been paid thereunder. The Seller has not, by act or omission, done anything that would materially impair the coverage under such Title Insurance Policy.

6. *No Waivers by Seller of Material Defaults.* The Seller has not waived any material default, breach, violation or event of acceleration existing under the related Mortgage or Mortgage Note. Notwithstanding anything to the contrary contained in this representation and warranty, this representation and warranty does not address or otherwise cover any default, breach, violation or event of acceleration that specifically pertains to any matter otherwise covered or addressed by any other representation or warranty made by the Seller as specified in this Exhibit C-1; and a breach by a Mortgagor of any representation or warranty contained in any Mortgage Loan Document shall not constitute a non-monetary default, breach, violation or event of acceleration for purposes of this representation if the subject matter of such representation or warranty is also covered or addressed by any representation or warranty made in this Exhibit C-1.

7. *No Offsets, Defenses or Counterclaims.* There is no *material* valid offset, defense or counterclaim to such Mortgage Loan.

8. *Condition of Property; Condemnation*. To the Seller's actual knowledge, the related Mortgaged Property is free and clear of any damage that would materially and adversely affect its value as security for such Mortgage Loan unless there has been already escrowed 100% of the amounts required to make any necessary repairs to correct such material damage. There are no proceedings for the condemnation of all or any material portion of the related Mortgaged Property.

9. *Compliance with Usury Laws.* Such Mortgage Loan complied with, or was exempt from, all applicable usury laws in effect as of its date of origination or the Loan File contains an opinion to that effect.

10. *Full Disbursement of Mortgage Loan Proceeds.* The proceeds of such Mortgage Loan have been fully disbursed and there is no requirement applicable to the holder of the Mortgage Loan for future advances thereunder.

11. *Enforceability.* Each related Mortgage Note, related Mortgage and related Assignment of Leases, Rents and Profits (if any) is the legal, valid and binding obligation of the maker thereof (subject to any non-recourse provisions contained in any of the foregoing agreements and any applicable state anti-deficiency or market value limit deficiency legislation), enforceable in accordance with its terms, except as such enforcement may be limited by anti-deficiency, bankruptcy, insolvency, reorganization, receivership, moratorium, redemption, liquidation or other laws relating to or affecting the rights of creditors generally and by general principles of equity (regardless of whether such enforcement is considered in a proceeding in equity or at law).

12. *Insurance.* The improvements upon the related Mortgaged Property are insured against loss by a fire and extended perils policy providing coverage against loss or damage included within the "all risk of physical loss" or the equivalent thereof, in an amount (subject to a customary deductible) at least equal to the lesser of (1) the outstanding principal amount of such Mortgage Loan, (2) 100% of the full actual replacement cost or value of the improvements located on such Mortgaged Property (exclusive of costs of excavations, foundations and underground utilities and footings) and (3) the full insurable actual cash value of such improvements, and the related hazard insurance policy contains appropriate endorsements to avoid the application of co-insurance and does not permit reduction in insurance proceeds for depreciation. If any portion of the improvements on the related Mortgaged Property was, at the time of the origination of such Mortgage Loan, in an area identified in the Federal Register by the Federal Emergency Management Agency as having "special flood hazards," a flood insurance policy meeting any requirements of the then current guidelines of the Federal Insurance Administration is in effect with a generally acceptable insurance carrier, in an amount representing coverage not less than the least of (1) the outstanding principal amount of such Mortgage Loan, (2) the full insurable actual cash value of such Mortgaged Property, (3) the maximum amount of insurance available under the National Flood Insurance Act of 1968, as amended, and (4) 100% of the full actual replacement cost or value of the improvements located on such Mortgaged Property. The loan documents require the Mortgagor to maintain (or to cause the applicable tenant to maintain) the insurance referred to in this paragraph in respect of the Mortgaged Property, and all such insurance required by the loan documents to be maintained is in full force and affect and names the originator of such Mortgage Loan as mortgagee, loss payee or additional insured. Each such insurance policy requires prior notice to the holder of the Mortgage of termination or cancellation, and no such notice has been received, including any notice of nonpayment of premiums, that has not been cured.

13. *Environmental Conditions.* As of the Closing Date, (i) there are no material adverse environmental conditions or circumstances affecting such Mortgaged Property; (ii) no Mortgaged Property is subject to a notice, Environmental Claim, request for information or order from or agreement with a government authority or any other Person respecting the Release or threatened Release of a Hazardous Substance; (iii) there has been no Release of Hazardous Substances on, at or under any Mortgaged Property which would reasonably be expected to result in the imposition of any material liability or any Environmental Claim; (iv) there are no judicial or administrative proceedings or any other Environmental Claims pending or threatened alleging any violation or failure to comply with any Environmental Law, or with respect to any release of any Hazardous Substance from any Mortgaged Property; (v) there are no past or present Releases of any Hazardous Substances that could form the basis of any Environmental Claim against any Person or entity whose liability for any Environmental Claim the Seller has retained or assumed either contractually or by operation of law, or otherwise result in any costs or liabilities under Environmental Laws; and (vi) none of the Mortgaged Properties are subject to any removal or remediation of any Hazardous Substances or are subject to notice to or approval from any governmental authority pertaining to environmental matters.

14. *No Cross-Collateralization with Other Mortgage Loans.* Such Mortgage Loan is not cross-collateralized with any other mortgage loan not sold to the Purchaser.

15. *Waivers and Modifications.* The terms of the related Mortgage and the related Mortgage Note have not been impaired, waived, altered or modified in any material respect, except as specifically set forth in the related Loan File.

16. *Taxes and Assessments.* There are no delinquent taxes or governmental assessments affecting the related Mortgaged Property that on or before the Closing Date became due and owing, which are or may become a lien of priority equal to or higher than the lien of the related Mortgage except such as have been paid, or an escrow of funds in an amount sufficient to cover such payments has been established. For purposes of this representation and warranty, real property taxes and assessments shall not be considered unpaid until the date on which interest and/or penalties would be payable thereon.

17. *Valid Assignment.* The assignment of the Mortgage related to each Mortgage Loan, constitutes the legal, valid and binding assignment of such Mortgage from the Seller to the Purchaser subject to the exceptions described in paragraph 11 (*Enforceability*) above. The Assignment of Leases, Rents and Profits, if any, set forth in the Mortgage or separate from the related Mortgage and related to and delivered in connection with each Mortgage Loan establishes and creates a valid and, subject only to the (i) Permitted Encumbrances, (ii) the exceptions set forth in paragraph 11 (*Enforceability*) above and (iii) a license granted to the related Mortgagor to exercise certain rights and to perform certain obligations of the lessor under such leases, including the right to operate the related Mortgaged Property as of the date of origination of each Mortgage Loan, enforceable first priority lien and first priority security interest in the related Mortgagor's interest in all leases, subleases, licenses or other agreements assigned thereunder from time to time, to the extent permitted by law, pursuant to which any person is entitled to occupy, use or possess all or any portion of the real property subject to the related Mortgage, and each assignor thereunder has the full right to assign the same, to the extent permitted by law. The related assignment of any Assignment of Leases, Rents and Profits, not included in a Mortgage, executed and delivered in favor of the Purchaser constitutes a legal, valid and binding assignment, subject to the exceptions described in paragraph 11 (*Enforceability*) above.

18. *Escrows.* There are no cash, escrow or reserve deposits relating to such Mortgage Loan that are, as of the Closing Date, required to be deposited with the mortgagee or its agent.

19. *No Material Encroachments.* As of the date of origination of a Mortgage Loan, no improvement that was included for the purpose of determining the Appraised Value of the related Mortgaged Property at the time of origination of such Mortgage Loan lay outside the boundaries and building restriction lines of such property (unless affirmatively covered by the Title Insurance Policy referred to in paragraph 5 (*Title Insurance*) above), and no improvements on adjoining properties encroached upon such Mortgaged Property. The improvements located on or forming part of such Mortgaged Property comply in all material respects with applicable zoning laws and ordinances (except to the extent that they may constitute legal nonconforming uses).

20. *Inspection.* In connection with the origination of each Mortgage Loan, the Seller inspected or caused to be inspected (either directly by the Seller, by its correspondent or by a third party) the Mortgaged Property.

21. *No Equity Participation or Contingent Interest.* No Mortgage Loan contains an equity participation by the Seller, or provides for any contingent or additional interest in the form of participation in the cash flow of the related Mortgaged Property. No Mortgage Loan provides for negative amortization.

22. *No Advances of Funds.* No holder of the Mortgage Loan has advanced funds or induced, solicited or knowingly received any advance of funds from a party other than the owner of the related Mortgaged Property (other than a tenant required to make its lease payments directly to the holder of the related Mortgage Loan), directly or indirectly, for the payment of any amount required by the Mortgage Loan.

23. *Licenses, Permits, Etc.* All licenses, permits and authorizations required by applicable laws for the use of the related Mortgaged Property as it is currently operated have been obtained and maintained in accordance with applicable laws, except for such licenses, permits and authorizations the failure of which to obtain would not materially adversely affect the value, use or operation of the Mortgaged Property.

24. *Servicing.* The servicing and collection practices used by the Seller and its designees with respect to the Mortgage Loan have been in all material respects legal and have met customary standards utilized by commercial banks in the area in which the Mortgaged Property is located for servicing of commercial mortgage loans.

25. *Customary Remedies.* The related Mortgage or Mortgage Note, together with applicable state law, contains customary and enforceable provisions (subject to the exceptions set forth in paragraph 11 (*Enforceability*) above) such as to render the rights and remedies of the holders thereof adequate for the practical realization against the related Mortgaged Property of the principal benefits of the security intended to be provided thereby.

26. *Insurance and Condemnation Proceeds.* The related Mortgage or other related loan document provides that insurance proceeds and condemnation proceeds will be applied to either restore or repair the Mortgaged Property or repay the principal of the Mortgage Loan, with, in some cases, the related Mortgagor (or the tenant or master lessee at the Mortgaged Property which maintains such insurance) being entitled to receive proceeds in excess of the amount utilized to restore or repair the Mortgaged Property.

27. *Litigation.* To the Seller's actual knowledge, there are no pending actions, suits or proceedings by or before any court or governmental authority against or affecting the related Mortgagor or the related Mortgaged Property that, if determined adversely to such Mortgagor or Mortgaged Property, would materially and adversely affect the value, use or operation of the Mortgaged Property.

28. *Leasehold Estate.* Each Mortgaged Property consists of either (1) the related Mortgagor's fee simple estate in real estate or (2) if the related Mortgage Loan is secured in whole or in part by the interest of a Mortgagor as a lessee under a Ground Lease and not by the fee simple interest, the related Mortgagor's interest in the Ground Lease and the following apply to such Ground Lease:

a. Such Ground Lease or a memorandum thereof has been or will be duly recorded; such Ground Lease (or the related estoppel letter or lender protection agreement between the Seller and related lessor) permits the interest of the lessee thereunder to be encumbered by the related Mortgage;

b. The lessee's interest in such Ground Lease is not subject to any liens or encumbrances superior to, or of equal priority with, the related Mortgage, other than the ground lessor's related fee interest and Permitted Encumbrances;

c. The Mortgagor's interest in such Ground Lease is assignable to the Purchaser and its successors and assigns upon notice to, but without the consent of, the lessor thereunder (or, if such consent is required, it has been obtained prior to the Closing Date) and, in the event that it is so assigned, is further assignable by the Purchaser and its successors and assigns upon notice to, but without the need to obtain the consent of, such lessor;

d. Such Ground Lease is in full force and effect, no notice of an event of default has occurred thereunder and, to the Seller's actual knowledge, there exists no condition that, but for the passage of time or the giving of notice, or both, would result in an event of default under the terms of such Ground Lease;

e. Such Ground Lease, or an estoppel letter or other agreement, requires the lessor under such Ground Lease to give notice of any default by the lessee to the mortgagee, provided that the mortgagee has provided the lessor with notice of its lien in accordance with the provisions of such Ground Lease, and such Ground Lease, or an estoppel letter or other agreement, further provides that no notice of termination given under the Ground Lease is effective against the mortgagee unless a copy has been delivered to the mortgagee;

f. A mortgagee is permitted a reasonable opportunity (including, where necessary, sufficient time to gain possession of the interest of the lessee under such Ground Lease) to cure any default under such Ground Lease which is curable after the receipt of notice of any such default, before the lessor thereunder may terminate such Ground Lease;

g. Such Ground Lease has an original term (including any extension options set forth therein) which extends not less than twenty years beyond the maturity date of the related Mortgage Loan;

h. Under the terms of such Ground Lease and the related Mortgage, taken together, any related insurance proceeds, will be applied either to the repair or restoration of all or part of the related Mortgaged Property, with the mortgagee or a trustee appointed by it having the right to hold and disburse such proceeds as the repair or restoration progresses (except in such cases where a provision entitling another party to hold and disburse such proceeds would not be viewed as commercially unreasonable by a prudent commercial mortgage lender), or to the payment of the outstanding principal amount of the Mortgage Loan together with any accrued interest thereon, with, in some cases, the related Mortgagor being entitled to receive proceeds in excess of the amount utilized to restore or repair the Mortgaged Property;

i. Such Ground Lease requires the lessor to enter into a new lease with the Seller or its successors or assigns in the event of a termination of the Ground Lease by reason of a default by the Mortgagor under the Ground Lease, including rejection of the Ground Lease in a bankruptcy proceeding; and

j. Such Ground Lease does not impose restrictions on subletting portions of the premised demised under the Ground Lease without the consent of the lessor (except in the case where such consent cannot be unreasonably withheld).

29. *Deed of Trust.* If the related Mortgage is a deed of trust, to the Seller's actual knowledge, a trustee, duly qualified under applicable law to serve as such, is properly designated and serving under such Mortgage.

30. *Lien Releases.* The related Mortgage Note or Mortgage does not require the holder thereof to release all or any portion of the Mortgaged Property from the lien of the related Mortgage, except upon payment in full of all amounts due under such Mortgage Loan which have been allocated to such Mortgaged Property upon the payment of specified release consideration, satisfaction of a debt service coverage ratio test and subject to the satisfaction of certain customary criteria set forth in the related loan agreement.

31. *Origination of Loans.* Other than approved exceptions, each Mortgage Loan complies in all material respects with the Seller's underwriting policies in effect as of such loan's origination date.

32. *Priority of Adjustable Rate Loans.* All terms of the loan documents pertaining to interest rate adjustments, payment adjustments and principal balance adjustments are enforceable and will not affect the priority of the mortgage lien.

33. *Assignability of Mortgage Loans.* The note and mortgage contain no provision limiting the right or ability of the Seller to assign, transfer and convey the note or mortgage to the Purchaser other than provisions that have been complied with.

34. *Due-on-Sale Clauses*. Each related Mortgage or loan agreement contains provisions for the acceleration of the unpaid balance of such Mortgage Loan, if, without prior consent of lender or satisfaction of certain conditions, the related Mortgaged Property or interest therein is directly or indirectly transferred or sold or encumbered in connection with subordinate financing.

35. *Subordinate Financing*. No Mortgagor is permitted to incur indebtedness subordinate to the related Mortgage Loan and secured by the related Mortgaged Property.

36. *Appraisal*. The Seller has obtained an Appraisal of the related Mortgaged Property within 12 months of the applicable Closing Date. As of the date of such Appraisal, the Carrying Value of the related Mortgage did not exceed the value of such Mortgaged Property as determined by such Appraisal.

REPRESENTATIONS AND WARRANTIES OF THE SELLER
REGARDING ASSETS THAT ARE RESIDENTIAL MORTGAGE LOANS

With respect to the Assets that are residential mortgage loans, as of the Closing Date (except as may be specified in the representation and warranty and except for the exceptions specifically agreed upon by the Purchaser in writing, the Seller represents and warrants as to such Assets:

1. *Ownership of Assets.* Immediately prior to the transfer thereof to the Purchaser, the Seller had good and marketable title to, and was the sole owner and holder of, such Assets, free and clear of any and all liens, encumbrances and other interests on, in or to such Asset other than Permitted Encumbrances.

2. *Authority to Transfer Assets.* The Seller has full right and authority to sell, assign and transfer such Assets.

3. *Asset List.* The information pertaining to such Assets set forth in the Asset List is true and correct in all material respects as of the related Closing Date.

4. *Permitted Encumbrances.* Subject to the disclosures under paragraph 32 (*Lien Releases*) below, if any, the related Mortgage constitutes a valid first lien upon the related Mortgaged Property, including all buildings located thereon and all fixtures attached thereto, such lien being subject only to Permitted Encumbrances. The Permitted Encumbrances do not materially interfere with the security intended to be provided by the related Mortgage or the current use or operation of the related Mortgaged Property.

5. *Title Insurance.* The lien of the related Mortgage is insured by a mortgagee Title Insurance Policy, or its equivalent as adopted in the applicable jurisdiction, issued by a nationally recognized title insurance company, insuring the originator of such Mortgage Loan, its successors and assigns, as to the first priority lien of the Mortgage in the original principal amount of the Mortgage Loan, subject only to Permitted Encumbrances (or, if a Title Insurance Policy has not yet been issued in respect of the Mortgage Loan, a policy meeting the foregoing description is evidenced by a commitment for title insurance "marked-up" at the closing of such loan). Each Title Insurance Policy (or, if it has yet to be issued, the coverage to be provided thereby) is in full force and effect, all premiums thereon have been paid and no material claims have been made thereunder and no claims have been paid thereunder. The Seller has not, by act or omission, done anything that would materially impair the coverage under such Title Insurance Policy.

6. *No Waivers by Seller of Material Defaults.* The Seller has not waived any material default, breach, violation or event of acceleration existing under the related Mortgage or Mortgage Note. Notwithstanding anything to the contrary contained in this representation and warranty, this representation and warranty does not address or otherwise cover any default, breach, violation or event of acceleration that specifically pertains to any matter otherwise covered or addressed by any other representation or warranty made by the Seller as specified in this Exhibit C-2; and a breach by a Mortgagor of any representation or warranty contained in any Mortgage Loan Document shall not constitute a non-monetary default, breach, violation or event of acceleration for purposes of this representation if the subject matter of such representation or warranty is also covered or addressed by any representation or warranty made in this Exhibit C-2.

7. *No Offsets, Defenses or Counterclaims.* There is no valid offset, defense or counterclaim to such Mortgage Loan.

8. *Condition of Property; Condemnation*. To the Seller's actual knowledge, the related Mortgaged Property is free and clear of any damage that would materially and adversely affect its value as security for such Mortgage Loan unless there has been already escrowed 100% of the amounts required to make any necessary repairs to correct such material damage. There are no proceedings for the condemnation of all or any material portion of the related Mortgaged Property.

9. *Compliance with Usury Laws.* Such Mortgage Loan complied with, or was exempt from, all applicable usury laws in effect as of its date of origination or the Loan File contains an opinion to that effect.

10. *Full Disbursement of Mortgage Loan Proceeds.* The proceeds of such Mortgage Loan have been fully disbursed and there is no requirement applicable to the holder of the Mortgage Loan for future advances thereunder.

11. *Enforceability.* Each related Mortgage Note and each related Mortgage is the legal, valid and binding obligation of the maker thereof (subject to any non-recourse provisions contained in any of the foregoing agreements and any applicable state anti-deficiency or market value limit deficiency legislation), enforceable in accordance with its terms, except as such enforcement may be limited by anti-deficiency, bankruptcy, insolvency, reorganization, receivership, moratorium, redemption, liquidation or other laws relating to or affecting the rights of creditors generally and by general principles of equity (regardless of whether such enforcement is considered in a proceeding in equity or at law).

12. *Insurance.* The improvements upon the related Mortgaged Property are insured against loss by a fire and extended perils policy providing coverage against loss or damage included within the "all risk of physical loss" or the equivalent thereof, in an amount (subject to a customary deductible) at least equal to the lesser of (1) the outstanding principal amount of such Mortgage Loan, (2) 100% of the full actual replacement cost or value of the improvements located on such Mortgaged Property (exclusive of costs of excavations, foundations and underground utilities and footings) and (3) the full insurable actual cash value of such improvements, and the related hazard insurance policy contains appropriate endorsements to avoid the application of co-insurance and does not permit reduction in insurance proceeds for depreciation. If any portion of the improvements on the related Mortgaged Property was, at the time of the origination of such Mortgage Loan, in an area identified in the Federal Register by the Federal Emergency Management Agency as having "special flood hazards," a flood insurance policy meeting any requirements of the then current guidelines of the Federal Insurance Administration is in effect with a generally acceptable insurance carrier, in an amount representing coverage not less than the least of (1) the outstanding principal amount of such Mortgage Loan, (2) the full insurable actual cash value of such Mortgaged Property, (3) the maximum amount of insurance available under the National Flood Insurance Act of 1968, as amended, and (4) 100% of the replacement cost or value of the improvements located on such Mortgaged Property. The loan documents require the Mortgagor to maintain (or to cause the applicable tenant to maintain) the insurance referred to in this paragraph in respect of the Mortgaged Property, and all such insurance required by the loan documents to be maintained is in full force and affect and names the originator of such Mortgage Loan as mortgagee, loss payee or additional insured. Each such insurance policy requires prior notice to the holder of the Mortgage of termination or cancellation, and no such notice has been received, including any notice of nonpayment of premiums, that has not been cured.

13. *Environmental Conditions.* As of the Closing Date, (i) there are no material adverse environmental conditions or circumstances affecting such Mortgaged Property; (ii) no Mortgaged Property is subject to a notice, Environmental Claim, request for information or order from or agreement with a government authority or any other Person respecting the Release or threatened Release of a Hazardous Substance; (iii) there has been no Release of Hazardous Substances on, at or under any Mortgaged Property which would reasonably be expected to result in the imposition of any liability or any Environmental Claim; (iv) there are no judicial or administrative proceedings or any other Environmental Claims pending or threatened alleging any violation or failure to comply with any Environmental Law, or with respect to any release of any Hazardous Substance from any Mortgaged Property; and (v) none of the Mortgaged Properties are subject to any removal or remediation of any Hazardous Substances or are subject to notice to or approval from any governmental authority pertaining to environmental matters. The Mortgaged Property complies with all applicable laws, rules and regulations, including but not limited to those relating to environmental matters, including but not limited to those relating to radon, asbestos and lead paint and neither the Seller nor, to the Seller's knowledge, the Mortgagor, has received any notice of any violation or potential violation of such law;

14. *Consumer Regulations*. Each Mortgage Loan complied in all material respects with any and all requirements of federal, state or local laws or regulations, including, without limitation, usury, truth-in-lending, real estate settlement procedures, consumer credit protection, predatory lending, abusive lending, fair lending, fair credit reporting, unfair collection practice, equal credit opportunity, fair housing and disclosure laws and regulations, applicable to the solicitation, origination, collection and servicing of such Mortgage Loan; and any obligations of the holder of the Mortgage Note, Mortgage and other loan documents have been complied with in all material respects and the consummation of the transaction contemplated hereby will not involve the violation of any such laws or regulations;

15. *HOEPA*. No Mortgage Loan is subject to the provisions of the Homeownership and Equity Protection Act of 1994 ("HOEPA") as amended or has an "annual percentage rate" or "total points and fees" payable by the mortgagor (as each such term is defined under HOEPA) that equal or exceed the applicable thresholds defined under HOEPA (Section 32 of Regulation Z, 12 C.F.R. Section 226.32(a)(1)(i) and (ii)) or is considered a "high cost," "predatory" or "abusive" loan (or a similarly designated loan using different terminology) under any state, county or municipal laws or ordinances, including without limitation, the provisions of the Georgia Fair Lending Act or any other statute or regulation providing "assignee" or "originator" liability to holders of such mortgage loans;

16. *No Cross-Collateralization with Other Mortgage Loans.* Such Mortgage Loan is not cross-collateralized with any other mortgage loan not sold to the Purchaser.

17. *Waivers and Modifications.* The terms of the related Mortgage and the related Mortgage Note have not been impaired, waived, altered or modified in any material respect, except as specifically set forth in the related Loan File.

18. *Taxes and Assessments.* There are no delinquent taxes or governmental assessments affecting the related Mortgaged Property that on or before the Closing Date became due and owing which are or may become a lien of priority equal to or higher than the lien of the related Mortgage except such as have been paid, or an escrow of funds in an amount sufficient to cover such payments has been established. For purposes of this representation and warranty, real property taxes and assessments shall not be considered unpaid until the date on which interest and/or penalties would be payable thereon.

19. *Valid Assignment.* The assignment of the Mortgage related to each Mortgage Loan, constitutes the legal, valid and binding assignment of such Mortgage from the Seller to the Purchaser subject to the exceptions described in paragraph 11 (*Enforceability*) above.

20. *Escrows.* There are no cash, escrow or reserve deposits relating to such Mortgage Loan that are, as of the Closing Date, required to be deposited with the mortgagee or its agent.

21. *No Material Encroachments.* As of the date of origination of a Mortgage Loan, no improvement that was included for the purpose of determining the Appraised Value of the related Mortgaged Property at the time of origination of such Mortgage Loan lay outside the boundaries and building restriction lines of such property (unless affirmatively covered by the Title Insurance Policy referred to in paragraph 5 (*Title Insurance*) above), and no improvements on adjoining properties encroached upon such Mortgaged Property. The improvements located on or forming part of such Mortgaged Property comply in all material respects with applicable zoning laws and ordinances (except to the extent that they may constitute legal nonconforming uses).

22. *Inspection.* In connection with the origination of each Mortgage Loan, the Seller inspected or caused to be inspected (either directly by the Seller, by its correspondent or by a third party) the Mortgaged Property.

23. *No Equity Participation or Contingent Interest.* No Mortgage Loan contains an equity participation by the Seller, or provides for any contingent or additional interest in the form of participation in the cash flow of the related Mortgaged Property. No Mortgage Loan provides for negative amortization.

24. *No Advances of Funds.* No holder of the Mortgage Loan has advanced funds or induced, solicited or knowingly received any advance of funds from a party other than the owner of the related Mortgaged Property (other than a tenant required to make its lease payments directly to the holder of the related Mortgage Loan), directly or indirectly, for the payment of any amount required by the Mortgage Loan.

25. *Licenses, Permits, Etc.* All licenses, permits and authorizations required by applicable laws for the use of the related Mortgaged Property as it is currently operated have been obtained and maintained in accordance with applicable laws except for such licenses, permits and authorizations the failure of which to obtain would not materially adversely affect the value, use or operation of the Mortgaged Property.

26. *Servicing.* The servicing and collection practices used by the Seller and its designees with respect to the Mortgage Loan have been in all material respects legal and have met customary standards utilized by commercial banks in the area in which the Mortgaged Property is located for servicing of commercial mortgage loans.

27. *Customary Remedies.* The related Mortgage or Mortgage Note, together with applicable state law, contains customary and enforceable provisions (subject to the exceptions set forth in paragraph 11 (*Enforceability*) above) such as to render the rights and remedies of the holders thereof adequate for the practical realization against the related Mortgaged Property of the principal benefits of the security intended to be provided thereby.

28. *Insurance and Condemnation Proceeds.* The related Mortgage or other related loan document provides that insurance proceeds and condemnation proceeds will be applied to either restore or repair the Mortgaged Property or repay the principal of the Mortgage Loan, with, in some cases, the related Mortgagor (or the tenant or master lessee at the Mortgaged Property which maintains such insurance) being entitled to receive proceeds in excess of the amount utilized to restore or repair the Mortgaged Property.

29. *Litigation.* To the Seller's actual knowledge, there are no pending actions, suits or proceedings by or before any court or governmental authority against or affecting the related Mortgagor or the related Mortgaged Property that, if determined adversely to such Mortgagor or Mortgaged Property, would materially and adversely affect the value, use or operation of the Mortgaged Property.

30. *Leasehold Estate.* Each Mortgaged Property consists of either (1) the related Mortgagor's fee simple estate in real estate or (2) if the related Mortgage Loan is secured in whole or in part by the interest of a Mortgagor as a lessee under a Ground Lease and not by the fee simple interest, the related Mortgagor's interest in the Ground Lease and the following apply to such Ground Lease:

a. Such Ground Lease or a memorandum thereof has been or will be duly recorded; such Ground Lease (or the related estoppel letter or lender protection agreement between the Seller and related lessor) permits the interest of the lessee thereunder to be encumbered by the related Mortgage;

b. The lessee's interest in such Ground Lease is not subject to any liens or encumbrances superior to, or of equal priority with, the related Mortgage, other than the ground lessor's related fee interest and Permitted Encumbrances;

c. The Mortgagor's interest in such Ground Lease is assignable to the Purchaser and its successors and assigns upon notice to, but without the consent of, the lessor thereunder (or, if such consent is required, it has been obtained prior to the Closing Date) and, in the event that it is so assigned, is further assignable by the Purchaser and its successors and assigns upon notice to, but without the need to obtain the consent of, such lessor;

d. Such Ground Lease is in full force and effect, no notice of an event of default has occurred thereunder and, to the Seller's actual knowledge, there exists no condition that, but for the passage of time or the giving of notice, or both, would result in an event of default under the terms of such Ground Lease;

e. Such Ground Lease, or an estoppel letter or other agreement, requires the lessor under such Ground Lease to give notice of any default by the lessee to the mortgagee, provided that the mortgagee has provided the lessor with notice of its lien in accordance with the provisions of such Ground Lease, and such Ground Lease, or an estoppel letter or other agreement, further provides that no notice of termination given under the Ground Lease is effective against the mortgagee unless a copy has been delivered to the mortgagee;

f. A mortgagee is permitted a reasonable opportunity (including, where necessary, sufficient time to gain possession of the interest of the lessee under such Ground Lease) to cure any default under such Ground Lease which is curable after the receipt of notice of any such default, before the lessor thereunder may terminate such Ground Lease;

g. Such Ground Lease has an original term (including any extension options set forth therein) which extends not less than twenty years beyond the maturity date of the related Mortgage Loan;

h. Under the terms of such Ground Lease and the related Mortgage, taken together, any related insurance proceeds, will be applied either to the repair or restoration of all or part of the related Mortgaged Property, with the mortgagee or a trustee appointed by it having the right to hold and disburse such proceeds as the repair or restoration progresses (except in such cases where a provision entitling another party to hold and disburse such proceeds would not be viewed as commercially unreasonable by a prudent commercial mortgage lender), or to the payment of the outstanding principal amount of the Mortgage Loan together with any accrued interest thereon, with, in some cases, the related Mortgagor being entitled to receive proceeds in excess of the amount utilized to restore or repair the Mortgaged Property;

i. Such Ground Lease requires the lessor to enter into a new lease with the Seller or its successors or assigns in the event of a termination of the Ground Lease by reason of a default by the Mortgagor under the Ground Lease, including rejection of the Ground Lease in a bankruptcy proceeding; and

j. Such Ground Lease does not impose restrictions on subletting portions of the premised demised under the Ground Lease without the consent of the lessor (except in the case where such consent cannot be unreasonably withheld).

31. *Deed of Trust.* If the related Mortgage is a deed of trust, to the Seller's actual knowledge, a trustee, duly qualified under applicable law to serve as such, is properly designated and serving under such Mortgage.

32. *Lien Releases.* The related Mortgage Note or Mortgage does not require the holder thereof to release all or any portion of the Mortgaged Property from the lien of the related Mortgage, except upon payment in full of all amounts due under such Mortgage Loan which have been allocated to such Mortgaged Property upon the payment of specified release consideration, satisfaction of a debt service coverage ratio test and subject to the satisfaction of certain customary criteria set forth in the related loan agreement.

33. *Origination of Loans.* Other than approved exceptions, each Mortgage Loan complies with the Seller's underwriting policies in all material respects effect as of such loan's origination date.

34. *Qualification To Do Business.* To the extent required under applicable law, the originator of the Mortgage Note was authorized to transact and do business in the jurisdiction where the Mortgaged Property is located while each was holder.

35. *Priority of Adjustable Rate Loans.* All terms of the loan documents pertaining to interest rate adjustments, payment adjustments and principal balance adjustments are enforceable and will not affect the priority of the mortgage lien.

36. *Assignability of Mortgage Loans.* The note and mortgage contain no provision limiting the right or ability of the Seller to assign, transfer and convey the note or mortgage to the Purchaser other than provisions that have been complied with.

37. *Due-on-Sale Clauses*. Each related Mortgage or loan agreement contains provisions for the acceleration of the unpaid balance of such Mortgage Loan, if, without prior consent of lender or satisfaction of certain conditions, the related Mortgaged Property or interest therein is directly or indirectly transferred or sold or encumbered in connection with subordinate financing.

38. *Appraisal*. The Seller has obtained an Appraisal of the related Mortgaged Property within 12 months of the applicable Closing Date. As of the date of such Appraisal, the Carrying Value of the related Mortgage did not exceed the value of such Mortgaged Property as determined by such Appraisal.

REPRESENTATIONS AND WARRANTIES OF THE SELLER
REGARDING ASSETS THAT ARE REO PROPERTIES

With respect to the Assets that are REO Properties, as of the Closing Date (except as may be specified in the representation and warranty and except for the exceptions specifically agreed upon by the Purchaser in writing), the Seller represents and warrants as to such Assets:

1. *Ownership of Assets.* Immediately prior to the transfer thereof to the Purchaser, the Seller has good and marketable title to, and is the sole beneficial owner and holder of, such Assets, free and clear of any and all liens, encumbrances and other interests on, in or to such Assets (pending completion of Deed transfers after foreclosure sales and, in the case of each REO Property that is a condominium unit, any rights of first refusal of the related condominium associations; provided, however, that no such right of first refusal shall affect the sale of the REO Property from the Seller to the Purchaser) other than Permitted Encumbrances.

2. *Authority to Transfer Assets.* The Seller has full right and authority to sell, assign and transfer such Assets.

3. *Asset List.* The information pertaining to such Assets set forth in the Asset List is true and correct in all material respects as of the related Closing Date.

4. *Permitted Encumbrances.* Each REO Property is subject only to the Permitted Encumbrances. The Permitted Encumbrances do not materially adversely affect the value, use or operation of the REO Property.

5. *Condition of Property; Condemnation*. To the Seller's actual knowledge, the REO Property is free and clear of any damage that would materially adversely affect the value, use or operation of the REO Property and the Seller has no actual knowledge of any other fact(s) relating to the physical condition of the REO Property, which in the Seller's reasonable judgment has or could reasonably be expected to materially adversely affect the value, use or operation of the REO Property. There are no pending proceedings, and the Seller has not received any notice of any threatened proceedings, for the condemnation, eminent domain or similar proceedings or actions affecting any material portion of the REO Property.

6. *Insurance.* The improvements upon the REO Property are insured against loss by a fire and extended perils policy providing coverage against loss or damage included within the "all risk of physical loss" or the equivalent thereof, in an amount (subject to a customary deductible) at least equal to 100% of the full actual replacement cost or value of the improvements located on such REO Property (exclusive of costs of excavations, foundations and underground utilities and footings). If any portion of the improvements on the REO Property are in an area identified in the Federal Register by the Federal Emergency Management Agency as having "special flood hazards," a flood insurance policy meeting any requirements of the then current guidelines of the Federal Insurance Administration is in effect with a generally acceptable insurance carrier, in an amount representing coverage not less than the least of (1) the full insurable actual cash value of such REO Property, (2) the maximum amount of insurance available under the National Flood Insurance Act of 1968, as amended, and (3) 100% of the full actual replacement cost or value of the improvements located on such REO Property.

7. *Environmental Conditions.* As of the Closing Date, (i) there are no material adverse environmental conditions or circumstances affecting such REO Property; (ii) no REO Property is subject to a notice, Environmental Claim, request for information or order from or agreement with a government authority or any other Person respecting the Release or threatened Release of a Hazardous Substance; (iii) there has been no Release of Hazardous Substances on, at or under any REO Property which would reasonably be expected to result in the imposition of any material liability or any Environmental Claim; (iv) there are no judicial or administrative proceedings or any other Environmental Claims pending or threatened alleging any violation or failure to comply with any Environmental Law, or with respect to any release of any Hazardous Substance from any REO Property; and (v) the REO Property is not subject to any removal or remediation of any Hazardous Substances or are subject to notice to or approval from any governmental authority pertaining to environmental matters. The REO Property complies with all applicable laws, rules and regulations, including but not limited to those relating to environmental matters, including but not limited to those relating to radon, asbestos and lead paint and neither the Seller nor, to the Seller's knowledge, the mortgagor, has received any notice of any violation or potential violation of such law;

8. *Taxes and Assessments.* All real property taxes including supplemental or other taxes, if any, government assessments, insurance premiums, water, sewer and municipal charges, condominium or cooperative charges and assessments, leasehold payments or ground rents, affecting or related to the REO Property, which became due and payable on or before the Closing Date, have been paid by the Seller. There are no delinquent taxes or governmental assessments affecting the REO Property and the Seller is not currently contesting such taxes or rollback of any taxes. For purposes of this representation and warranty, real property taxes and assessments shall not be considered unpaid until the date on which interest and/or penalties would be payable thereon.

9. *No Material Encroachments.* No improvement that was included for the purpose of determining the Appraised Value of the related REO Property as of the last appraisal lay outside the boundaries and building restriction lines of such property, and no improvements on adjoining properties encroached upon such REO Property. The improvements located on or forming part of such REO Property comply in all material respects with applicable zoning laws and ordinances (except to the extent that they may constitute legal nonconforming uses).

10. *Licenses, Permits, Etc.* All licenses, permits and authorizations required by applicable laws for the use of the REO Property as it is currently operated have been obtained and maintained in accordance with applicable laws, except for such licenses, permits and authorizations the failure of which to obtain would not materially adversely affect the value, use or operation of the REO Property.

11. *Litigation.* To the Seller's actual knowledge, there are no pending actions, suits or proceedings by or before any court or governmental authority against or affecting any portion of the REO Property or the Seller's rights therein, that, if determined adversely to the owner, would materially adversely affect the value, use or operation of the REO Property.

12. *Eviction Notices*. Each eviction proceeding relating to an REO Property has been properly commenced and the Seller is not aware of any valid defense or counterclaim by anyone with respect thereto. The REO Property has been serviced and maintained in compliance with all applicable laws and regulations.

13. *Type*. Except as reflected on the Asset Schedule, no REO Property is a cooperative nor a hotel-condo unit.

14. *Condominiums*. Solely with respect to REO Properties which are condominium units, (i) the Seller is not a "sponsor" or a nominee of a "sponsor" under any plan of condominium organization affecting the unit and the ownership and sale of any condominium unit will not violate any federal, state or local law or regulation regarding condominiums or require registration, qualification or similar action under such law or regulation, (ii) all condominium charges and assessment which became due and payable on or before the Closing Date have been paid by the Seller and (iii) the condominium declaration with respect to such REO Property is in full force and effect.

15. *Listing Agreements*. The Seller has provided Purchaser with a copy of each listing agreement with any real estate broker with respect to the REO Property. Each such listing agreement may be terminated without any cost or expense to Purchaser.

16. *Sale Contracts*. The Seller has not accepted or executed any contract of sale with respect to the REO Property.

17. *Agreements with Governmental Authorities*. The Seller has not entered into any unrecorded commitment or agreement with any governmental authority affecting the REO Property and which could reasonably be expected to have a material adverse effect on the ownership, value or operation of the REO Property.

18. *Rights to Purchase*. There are no options, rights of first refusal or similar rights in favor of any person or entity to purchase or otherwise acquire the REO Property or any portion thereof or interest therein.

19. *Foreign Person*. The Seller is not a "foreign person" within the meaning of Section 1445(f) of the Internal Revenue Code of 1986, as amended.

20. *Personal Property*. The inventory of personal property related to the REO Property, if any, as attached to the Bill of Sale will set forth a true and correct inventory of all of such personal property to be conveyed by the Seller to the Purchaser pursuant to the provisions of this Purchase Agreement. Upon the execution and delivery of the Bill of Sale, all of the Seller's right, title and interest in and to such personal property will be transferred to the Purchaser free and clear of all claims, demands, liens (including inchoate liens) and interests of all parties whatsoever, except for any liens approved by the Purchaser in writing. The Seller owns title to all of the personal property related to the REO Property.

21. *Separate Tax Lot*. The REO Property constitutes one or more separate tax lots for real estate tax assessment purposes.

22. *Violations*. The Seller has not received written notice of any uncured violation of record from a governmental authority having jurisdiction over the REO Property concerning any zoning, building, fire, life/safety or health code, regulation, ordinance, statute or law applicable to the REO Property or any portion thereof. Further, to the actual knowledge of the Seller there are no violations of record of any applicable legal requirements affecting all or any portion of the REO Property which would materially adversely affect the value, use or operation of the REO Property.

23. *Appraisal*. The Seller has obtained an Appraisal of the REO Property within 12 months of the applicable Closing Date. As of the date of such Appraisal, the Carrying Value of the REO Property did not exceed the value of such the REO Property as determined by such Appraisal.

Exhibit 1.2

EXECUTION COPY

SECURITIES PURCHASE AGREEMENT

This Securities Purchase Agreement (this "Agreement") dated as of April 1, 2010 is entered into by and between United Community Banks, Inc., a corporation organized under the laws of Georgia (together with its successors, the "Company"), and Fletcher International, Ltd., a company domiciled in Bermuda (together with its successors, "Fletcher").

The parties hereto agree as follows:

1. Purchase and Sale. In consideration of and upon the basis of the representations, warranties and agreements and subject to the terms and conditions set forth in this Agreement:

(a) Subject to satisfaction or, if applicable, waiver of the relevant conditions set forth in Sections 12 and 13 hereof and subject to the provisions of Section 6(a) hereof, Fletcher agrees to purchase from the Company, and the Company agrees to issue and sell to Fletcher (each an "Investment"), from time to time, in whole or in part, Sixty-Five Thousand (65,000) shares of the Company's Series C convertible preferred stock, par value One Dollar ($1.00) per share (the "Preferred Stock"), at a purchase price of One Thousand Dollars ($1,000) per share (the "Investment Price") for an aggregate purchase price of Sixty-Five Million Dollars ($65,000,000) (the "Aggregate Investment Commitment"). To effect any Investment, Fletcher shall deliver a written notice substantially in the form attached hereto as Annex A (an "Investment Notice") to the Company from time to time during the period commencing on and including the date of this Agreement and ending no later than 11:59 p.m. New York City time on the date that is the two year anniversary of the Stockholder Consent Date (as defined below), subject to extension as set forth herein (the "Investment Period"). Subject to satisfaction or, if applicable, waiver of the relevant conditions set forth in Sections 12 and 13 hereof, the closing of each Investment (each, a "Closing") shall take place at 9:30 a.m. New York City time on the date that is three (3) Business Days (as defined below) following and excluding the date of delivery of the Investment Notice or on such other date as Fletcher and the Company shall mutually agree (each such date and time being referred to herein as a "Closing Date"). Subject to the provisions of Sections 1(c) and 10(b) hereof, on or prior to the expiration of the Investment Period, Fletcher shall have consummated Investments in an aggregate amount equal to the Aggregate Investment Commitment. For the avoidance of doubt, subject to the provisions of Sections 1(c) and 10(b) hereof, the Aggregate Investment Commitment shall be reduced on a dollar-for-dollar basis by the Investment Amount (as defined below) paid on each Investment.

(b) The Investment Period shall be extended by one (1) Business Day for each Business Day:

(i) that the Registration Statement (as defined below) is not effective and available for the issuance of any Preferred Stock or Warrants for a period of more than seven (7) days (each, a "Registration Failure"); or

(ii) at any time after the One Year Anniversary Date (as defined below) but before the date that is sixty (60) days before the expiration of the Investment Period, occurring during the period (x) commencing on the earlier of the day on which the Company restates or announces its intention to restate any portion of the Company Financial Statements (as defined below), and (y) ending on the date on which the Company files quarterly or annual financial statements that constitute a Restatement (as defined below) on a Form 10-K, Form 10-Q, Form 8-K or any other filing with the United States Securities and Exchange Commission (the "SEC") (and if the Company makes multiple filings of a Restatement with the SEC, the last of such dates) (the "Restatement Filing Date").

If (i) the Company restates or announces its intention to restate any portion of the Company Financial Statements (as defined below) less than sixty (60) days before the expiration of the Investment Period, (ii) the Company has restated or announced its intention to restate any portion of the Company Financial Statements and the Restatement Filing Date is not at least sixty (60) days before the expiration of the Investment Period, or (iii) the Company fails to maintain the effectiveness and availability of the Registration Statement for the issuance of all Preferred Stock and Warrants issuable under this Agreement, then the Investment Period shall be extended to a date that is at least sixty (60) days after the later of the Restatement Filing Date or the remediation of the failure described in clause (iii) of this paragraph.

(c) If the conditions set forth in Section 12 hereof are not satisfied or waived on or prior to 9:30 a.m. New York City time on the relevant Investment Closing Date or if the Company fails to perform its obligations on any Investment Closing Date (including delivery of all shares of Preferred Stock issuable on such date) for any reason other than Fletcher's failure to satisfy the conditions required by Section 13 hereof, then in addition to all remedies available to Fletcher at law or in equity, Fletcher may, at its sole option, and at any time, withdraw the Investment Notice by written notice to the Company and, after such withdrawal, shall have no further obligations with respect to such Investment Notice. Upon any such withdrawal, the Aggregate Investment Commitment shall be reduced on a dollar-per-dollar basis by the Investment Amount (as defined below) set forth in the withdrawn Investment Notice.

(d) In addition, upon receipt of the Deposit (as defined in the Asset Purchase and Sale Agreement, defined below), the Company will issue to Fletcher a warrant (the "Warrant") evidencing rights to purchase from the Company, subject to the terms and conditions set forth in the Warrant, securities as set forth therein. Fletcher shall have the right to exercise rights under the Warrant in the manner, and subject to the terms, specified in the Warrant.

(e) As used herein,

(i) the term "Articles of Incorporation" means the Restated Articles of Incorporation of the Company, as amended;

(ii) the term "Business Day" means any day on which the Common Stock may be traded on Nasdaq (as defined below) or, if not admitted for trading on Nasdaq, on any day other than a Saturday, Sunday or holiday on which banks in New York City are required or permitted to be closed;

(iii) the term "Common Stock Equivalent Junior Preferred Stock" means a new class of non-voting preferred stock, par value One Dollar ($1.00) per share, of the Company to be created pursuant to the Junior Preferred Certificate;

(iv) the term "Common Stock Equivalent Junior Preferred Shares" means the shares of Common Stock Equivalent Junior Preferred Stock issuable upon conversion or redemption of, or as a dividend under, the Preferred Stock, upon exercise of the Warrant, and all other Common Stock Equivalent Junior Preferred Stock issuable under this Agreement, the Series C Certificate, the Junior Preferred Certificate or the Warrant;

(v) the term "Common Shares" means the shares of Common Stock issuable upon conversion or redemption of, or as a dividend under, the Preferred Stock, upon exercise of the Warrant, the shares of Common Stock issuable upon conversion of the Common Stock Equivalent Junior Preferred Stock and all other Common Stock issuable under this Agreement, the Series C Certificate, the Junior Preferred Certificate or the Warrant;

(vi) the term "Common Stock" means the Company's common stock, par value One Dollar ($1.00) per share;

(vii) the term "Company Financial Statements" means all financial statements (including the notes thereto) filed by the Company with the SEC (other than pursuant to Form 8-K);

(viii) the term "Daily Market Price" means, on any date, the amount per share of the Common Stock (or, for purposes of determining the Daily Market Price of the common stock of an Acquiring Person or its Parent (each as defined below), the common stock of such Acquiring Person or its Parent), equal to (A) the daily volume-weighted average price of one share of Common Stock (or the common stock of an Acquiring Person or its Parent), calculated to the nearest ten thousandth (i.e., four decimal places (.xxxx)), on Nasdaq or, if no sale takes place on such date, the average of the closing bid and asked prices, calculated to the nearest ten thousandth (i.e., four decimal places (.xxxx)), on Nasdaq thereof on such date, in each case as reported by Bloomberg, L.P. (or by such other Person as Fletcher and the Company may agree), or (B) if such Common Stock (or the common stock of an Acquiring Person or its Parent) is not then listed or admitted to trading on Nasdaq, the higher of (x) the book value per share thereof as determined by any firm of independent public accountants of recognized standing selected by the Company and reasonably acceptable to Fletcher as of the last calendar day of the most recent month ending before the date as of which the determination is to be made and (y) the fair market value per share thereof determined in good faith by an independent, nationally recognized appraisal firm selected by Fletcher and reasonably acceptable to the Company (whose fees and expenses shall be borne by the Company), subject in each case to adjustment for stock splits, recombinations, stock dividends and the like;

(ix) the term "Investment Amount" means, with respect to any Investment, the aggregate amount paid, deemed to be paid, or to be paid by Fletcher on the relevant Closing Date;

(x) the term "Investment Securities" means the Preferred Stock, the Warrant and all Common Shares and Common Stock Equivalent Junior Preferred Shares;

(xi) "Junior Preferred Certificate" means the Certificate of Designation of the Common Stock Equivalent Junior Preferred Stock of the Company, attached hereto as Annex J.

(xii) the term "Material Adverse Effect" means any material adverse effect with respect to (A) the business, properties, assets, operations, results of operations, revenues or condition, financial or otherwise, of the Company and its subsidiaries taken as a whole, (B) the legality, validity or enforceability of the Agreement, the Series C Certificate, the Junior Preferred Certificate, the Warrant, the Registration Statement or the Prospectus (as defined below), or (C) the Company's ability to perform fully on a timely basis its obligations under the Agreement, the Certificate of Rights and Preferences or the Warrant;

(xiii) the term "Nasdaq" means the Nasdaq Global Select Market, but if the Nasdaq Global Select Market is not then the principal U.S. trading market for the Common Stock, then "Nasdaq" shall be deemed to mean the principal U.S. national securities exchange (as defined in the Securities Exchange Act of 1934, as amended (the "Exchange Act")) on which the Common Stock, or such other applicable common stock, is then traded, or if such Common Stock, or such other applicable common stock, is not then listed or admitted to trading on any national securities exchange, then the OTC Bulletin Board or other trading market that is then the principal market on which such stock is then traded;

(xiv) the term "Parent" means, as to any Acquiring Person, any Person that (A) controls the Acquiring Person directly or indirectly through one or more intermediaries, (B) is required to include the Acquiring Person in the consolidated financial statements contained in such Parent's Annual Report on Form 10-K (if the Parent is required to file such a report) or would be required to so include the Acquiring Person in such Parent's consolidated financial statements if they were prepared in accordance with U.S. generally accepted accounting principals and (C) is not itself included in the consolidated financial statements of any other Person (other than its consolidated subsidiaries).

(xv) the term "Person" means an individual or a corporation, partnership, trust, incorporated or unincorporated association, limited liability company, joint venture, joint stock company, government (or an agency or political subdivision thereof) or other entity of any kind.

(xvi) the term "Series C Certificate" means the Certificate of Rights and Preferences of Series C Convertible Preferred Stock of the Company attached hereto as Annex B;

2. Asset Purchases.

Concurrently with the execution of this Agreement, the Company and an affiliate of Fletcher have executed that certain Asset Purchase and Sale Agreement providing for the Company's sale of certain assets to Fletcher or its affiliates (the "Asset Purchase and Sale Agreement").

3. Closings. Unless otherwise agreed by the parties, each Closing shall take place via facsimile on each Closing Date in the manner set forth below. At each Closing, the following deliveries shall be made:

(a) Preferred Stock. The Company shall deliver to Fletcher, at the Company's expense, that number of shares of Preferred Stock specified in the relevant Investment Notice. Such shares shall be issued in the name of and delivered to Fletcher and registered by the Company in its stockholder register in the name of Fletcher or as otherwise instructed by Fletcher in writing.

(b) Purchase Price. Fletcher shall cause to be wire transferred to the Company, in accordance with the wire instructions set forth in Annex E hereto, the Investment Amount set forth in the Investment Notice in immediately available United States funds.

(c) Closing Documents. The closing documents required by Sections 12 and 13 shall be delivered to Fletcher and the Company, respectively.

The deliveries specified in this Section 3 shall be deemed to occur simultaneously as part of a single transaction, and no delivery shall be deemed to have been made until all such deliveries have been made.

4. Representations and Warranties of the Company. The Company hereby represents and warrants to Fletcher on the date hereof, on each Closing Date, on each Warrant Closing Date (as defined in the Warrant) and on each Conversion Closing Date and Redemption Closing Date (each as defined in the Certificate of Rights and Preferences) as follows:

(a) The Company has duly authorized the sale and issuance of all Investment Securities issuable under this Agreement, the Series C Certificate, the Junior Preferred Certificate and the Warrant (the "Offering"). The Offering has been registered under the Securities Act of 1933, as amended (the "Securities Act") pursuant to the Company's Registration Statement on S-3/A (Registration No. 333-159958) and Registration Statement on S-3 filed as of the date hereof, each as amended or replaced (together, the "Registration Statement").

(b) The Company has been duly incorporated and is validly existing in good standing under the laws of the state of Georgia. The Company is duly registered as a bank holding company under the Bank Holding Company Act of 1956, as amended (the "BHCA"). Each of the subsidiaries of the Company that is a bank has been duly organized and is validly existing in good standing under all applicable laws.

(c) Except as otherwise contemplated by this Agreement and the requirement that the Company obtain Stockholder Consent, the execution, delivery and performance of this Agreement, the Series C Certificate, the Junior Preferred Certificate and the Warrant (including the authorization, sale, issuance and delivery of the Investment Securities issuable hereunder and thereunder) have been duly authorized by all requisite corporate action and no further consent or authorization of the Company, its Board of Directors or its stockholders is required.

(d) This Agreement has been duly executed and delivered by the Company and, when this Agreement is duly authorized, executed and delivered by Fletcher, will be a valid and binding agreement enforceable against the Company in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights generally and to general principles of equity. The issuance of the Investment Securities is not and will not be subject to any preemptive right or rights of first refusal that have not been properly waived or complied with.

(e) Except as otherwise contemplated by this Agreement and the requirement that the Company obtain Stockholder Consent (as defined below) and designate the Common Stock Equivalent Junior Preferred Stock, the Company has full corporate power and authority necessary to (i) own and operate its properties and assets, execute and deliver this Agreement, the Series C Certificate, the Junior Preferred Certificate and the Warrant, (ii) perform its obligations hereunder and under the Series C Certificate, the Junior Preferred Certificate and the Warrant (including, but not limited to, the issuance of the Investment Securities issuable hereunder and under the Series C Certificate, the Junior Preferred Certificate and the Warrant) and (iii) carry on its business as presently conducted and as presently proposed to be conducted. The Company and its subsidiaries are duly licensed, qualified and authorized to do business and are in good standing as foreign corporations in all jurisdictions in which the nature of their activities and of their properties (both owned and leased) makes such licensing, qualification or authorization necessary, except where the failure to do so would not, individually or in the aggregate, be reasonably expected to have a Material Adverse Effect.

(f) No consent, approval, authorization or order of any court, governmental agency or other body is required for execution and delivery by the Company of this Agreement or the performance by the Company of any of its obligations hereunder and under the Series C Certificate, the Junior Preferred Certificate and the Warrant.

(g) Except as otherwise contemplated by this Agreement and the requirement that the Company obtain the Stockholder Consent, neither the execution and delivery by the Company of this Agreement, the Series C Certificate, the Junior Preferred Certificate or the Warrant nor the performance by the Company of any of its obligations hereunder or under the Series C Certificate, the Junior Preferred Certificate or the Warrant:

(i) violates, conflicts with, results in a breach of, or constitutes a default (or an event which with the giving of notice or the lapse of time or both would be reasonably likely to constitute a default) or creates any rights in respect of any Person under (A) the articles of incorporation or by-laws (or other comparable documents) of the Company or any of its subsidiaries, (B) any decree, judgment, order, law, treaty, rule, regulation or determination of any court, governmental agency or body, or arbitrator having jurisdiction over the Company or any of its subsidiaries or any of their respective properties or assets, (C) the terms of any bond, debenture, indenture, credit agreement, note or any other evidence of indebtedness, or any agreement, stock option or other similar plan, lease, mortgage, deed of trust or other instrument to which the Company or any of its subsidiaries is a party, by which the Company or any of its subsidiaries is bound, or to which any of the properties or assets of the Company or any of its subsidiaries is subject, (D) the terms of any "lock-up" or similar provision of any underwriting or similar agreement to which the Company or any of its subsidiaries is a party or (E) any rule or regulation of the Financial Industry Regulatory Authority, Inc. (successor entity to National Association of Securities Dealers, Inc.) ("FINRA") or Nasdaq; or

(ii) results in the creation or imposition of any lien, charge or encumbrance upon any Investment Securities or upon any of the properties or assets of the Company or any of its subsidiaries.

(h) When issued to Fletcher against payment therefor, the Investment Securities issuable hereunder or under the Series C Certificate, the Junior Preferred Certificate or the Warrant:

(i) will have been duly and validly authorized, duly and validly issued, fully paid and non-assessable;

(ii) will be free and clear of any security interests, liens, claims or other encumbrances; and

(iii) will not have been issued or sold in violation of any preemptive or other similar rights of the holders of any securities of the Company.

(i) The Company satisfies all continued listing criteria of the Nasdaq Global Select Market, the Nasdaq Global Market or the New York Stock Exchange. There is no present set of facts or circumstances that will (with the passage of time or the giving of notice or both or neither) cause the Common Stock to be delisted from such market. All Common Shares will, when issued, be duly listed and admitted for trading on all of the markets where shares of Common Stock are traded, including the Nasdaq Global Select Market.

(j) There is no pending or, to the best knowledge of the Company, threatened action, suit, proceeding or investigation before any court, governmental agency or body, or arbitrator having jurisdiction over the Company or any of its affiliates that would affect the execution by the Company of, or the performance by the Company of its obligations under, this Agreement, the Series C Certificate, the Junior Preferred Certificate or the Warrant.

(k) Reports

(i) Since January 1, 2008, none of the Company's filings with the SEC under the Securities Act or under Section 13 or 15(d) of the Exchange Act, including the financial statements, schedules, exhibits and results of the Company's operations and cash flow contained therein (each an "SEC Filing"), contained any untrue statement of a material fact or omitted to state any material fact necessary in order to make the statements, in the light of the circumstances under which they were made, not misleading. Since January 1, 2008, there has not been any pending or, to the best knowledge of the Company, threatened action, suit, proceeding or investigation before any court, governmental agency or body, or arbitrator having jurisdiction over the Company or any of its subsidiaries that will or is reasonably likely to result in a Material Adverse Effect, except as disclosed in the Company's SEC Filings on or before the date immediately prior to and excluding the date hereof. Since the date of the Company's most recent SEC Filing, there has not been, and the Company is not aware of, any development or condition that is reasonably likely to result in, any material change in the condition, financial or otherwise, or in the business affairs, assets, revenues, operations or prospects of the Company and its subsidiaries, whether or not arising in the ordinary course of business. The Company's SEC Filings made before and excluding the date hereof fully disclose all material information concerning the Company and its subsidiaries required by all statutes and applicable rules and regulations of the SEC.

(ii) Since January 1, 2008, the Company and each of its subsidiaries has timely filed all material reports, registrations, documents, filings, statements and submissions, together with any amendments thereto, that it was required to file with any governmental entity, including, without limitation, (A) the Federal Reserve Board, (B) the Federal Deposit Insurance Corporation (the "FDIC") and (C) and other federal, state or local authority regulating financial institutions (the foregoing collectively, the "Company Reports") and has paid all material fees and assessments due and payable in connection therewith. As of their respective filing dates, the Company Reports complied in all material respects with all statutes and applicable rules and regulations of the applicable governmental entities. To the knowledge of the Company, as of the date of this Agreement, there are no outstanding material comments of any governmental entity with respect to any Company Report. The Company Reports were complete and accurate in all material respects as of their respective dates, or the dates of their respective amendments. Except for normal examinations conducted by a governmental entity in the regular course of the business of the Company and its subsidiaries, no governmental entity has initiated any proceeding or, to the knowledge of the Company, investigation into the business or operations of the Company or any of its subsidiaries since January 1, 2008. There is no material unresolved violation, criticism or exception by any governmental entity with respect to any report or statement relating to any examinations of the Company or any of its subsidiaries. The deposit accounts of each subsidiary of the Company that is a bank are insured to the fullest extent permitted by law by the Deposit Insurance Fund, which is administered by the FDIC, all premiums and assessments required to be paid in connection therewith have been paid when due and no proceedings for the termination or revocation of such insurance are pending or, to the knowledge of the Company, threatened.

(l) Immediately prior to the first Closing Date, the authorized capital stock of the Company consists of One Hundred Million (100,000,000) shares of Common Stock, par value $1.00 per share and Ten Million (10,000,000) shares of preferred stock, of which 287,411 shares are designated Series A Non-Cumulative Preferred Stock, par value $1.00 per share ("Series A Preferred Stock"), and 180,000 shares are designated Fixed Rate Cumulative Perpetual Preferred Stock, Series B, par value $1.00 per share ("Series B Preferred Stock"). As of March 22, 2010, (i) 94,174,096 shares of Common Stock are issued and outstanding and (A) 5,365,082 shares of Common Stock are currently reserved and subject to issuance upon the exercise of outstanding stock options, warrants or other convertible rights, (B) 262,002 shares of Common Stock are currently reserved and subject to issuance under the Company's deferred compensation plan, and (C) 145,502 shares of Common Stock are currently reserved and subject to issuance upon vesting of restricted stock and restricted stock units (ii) no shares of Common Stock are held in the treasury of the Company, (iii) 21,700 shares of Series A Preferred Stock are issued, and outstanding and (iv) 180,000 shares of Series B Preferred Stock are issued and outstanding. All of the outstanding shares of Common Stock and Series A Preferred Stock and Series B Preferred Stock are, and all shares of capital stock which may be issued pursuant to outstanding stock options, warrants or other convertible rights will be, when issued and paid for in accordance with the respective terms thereof, duly authorized, validly issued, fully paid and non-assessable, free of any preemptive rights in respect thereof and issued in compliance with all applicable state and federal laws concerning issuance of securities. As of the date hereof, except as set forth above, and except for shares of Common Stock or other securities issued upon conversion, exchange, exercise or purchase associated with the securities, options, warrants, rights and other instruments referenced above, no shares of capital stock or other voting securities of the Company were outstanding, no equity equivalents, interests in the ownership or earnings of the Company or other similar rights were outstanding, and there were no existing options, warrants, calls, subscriptions or other rights or agreements or commitments relating to the capital stock of the Company or any of its subsidiaries or obligating the Company or any of its subsidiaries to issue, transfer, sell or redeem any shares of capital stock, or other equity interest in, the Company or any of its subsidiaries or obligating the Company or any of its subsidiaries to grant, extend or enter into any such option, warrant, call, subscription or other right, agreement or commitment.

(m) Solvency. The consolidated balance sheet of the Company dated as of December 31, 2009, and the consolidated statement of income, the consolidated statement of changes in shareholders' equity and the consolidated statement of cash flows of the Company for the year ended December 31, 2009 and the notes thereto, as included in the Company's SEC Filings, present fairly, in all material respects, the financial position of the Company as of the date thereof and for the period covered thereby. The Company has not incurred debt, and does not intend to incur debt, beyond its ability to pay such debt as it matures. For purposes of this paragraph, "debt" means any liability on a claim, and "claim" means (x) a right to payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, or unsecured, or (y) a right to an equitable remedy for breach of performance if such breach gives rise to a payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured, or unsecured. With respect to any such contingent liabilities, such liabilities are computed at the amount which, in light of all the facts and circumstances existing at the time, represents the amount which can reasonably be expected to become an actual or matured liability.

(n) Equivalent Value. As of each Closing Date, under the terms of this Agreement, the Company is receiving fair consideration from Fletcher for the agreements, covenants, representations and warranties made by the Company to Fletcher.

(o) No Non-Public Information. Fletcher has not requested from the Company, and the Company has not furnished to Fletcher, any material non-public information concerning the Company or its subsidiaries.

(p) Restatement Notices. As of each Closing Date and each closing under the Warrant, as applicable, the Company has provided Fletcher with all Restatement Notices (as defined below) required to be delivered following a Restatement (as defined below).

(q) Application of Takeover Protections. There is no control share acquisition, business combination, poison pill (including any distribution under a rights agreement) or other similar anti-takeover provision under the Company's charter documents or the laws of its state of incorporation that is or would become applicable to Fletcher as a result of Fletcher and the Company fulfilling their obligations or exercising their rights under this Agreement, the Series C Certificate, the Junior Preferred Certificate or the Warrant, including, without limitation, as a result of the Company's issuance of the Preferred Stock, Common Stock and Common Stock Equivalent Junior Preferred Stock issuable hereunder and thereunder and Fletcher's ownership of the Preferred Stock, Common Stock and Common Stock Equivalent Junior Preferred Stock issuable hereunder and thereunder.

(r) Backdating of Options. The exercise price of each Company option has been no less than the fair market value of a share of Common Stock as determined on the date of grant of such Company option. All grants of Company options were validly issued and properly approved by the Board of Directors of the Company (or a duly authorized committee or subcommittee thereof) in material compliance with all applicable legal requirements and recorded on the Company's financial statements in accordance with U.S. generally accepted accounting principles, and no such grants involved any "back dating," "forward dating" or similar practices with respect to the effective date of grant.

(s) Regulatory Permits. The Company possesses all material certificates, authorizations and permits issued by the appropriate federal, state or foreign regulatory authorities necessary to conduct its business. The Company is not in violation of any material judgment, decree or order or any statute, ordinance, rule or regulation applicable to it.

(t) Foreign Corrupt Practices. Neither the Company nor any director, officer, agent, employee or other Person acting on behalf of the Company has, in the course of its actions for, or on behalf of, the Company (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expenses relating to political activity; (ii) made any direct or indirect unlawful payment to any foreign or domestic government official or employee from corporate funds; (iii) violated or is in violation of any provision of the U.S. Foreign Corrupt Practices Act of 1977, as amended; or (iv) made any unlawful bribe, rebate, payoff, influence payment, kickback or other unlawful payment to any foreign or domestic government official or employee.

(u) Sarbanes-Oxley Act. The Company is in compliance in all material respects with any and all applicable requirements of the Sarbanes-Oxley Act of 2002 that are effective as of the date hereof, and any and all applicable rules and regulations promulgated by the SEC thereunder that are effective as of the date hereof.

(v) Transactions With Affiliates. Except as disclosed in the Company's SEC Filings, and other than the grant of stock options and restricted and non-restricted stock grants disclosed that are required to be publicly disclosed, none of the officers, directors or employees of the Company is presently a party to any transaction with the Company (other than for ordinary course services as employees, officers or directors) required to be disclosed pursuant to Regulation S-K Item 404, including any contract, agreement or other arrangement providing for the furnishing of services to or by, providing for rental of real or personal property to or from, or otherwise requiring payments to or from any such officer, director or employee or, to the knowledge of the Company, any corporation, partnership, trust or other entity in which any such officer, director, or employee has a substantial interest or is an officer, director, trustee or partner, which such transaction would be required to be disclosed.

(w) Insurance. The Company is insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as are prudent and customary in the businesses in which the Company is engaged.

(x) Employee Relations. The Company is not a party to any collective bargaining agreement. The Company is in compliance with all federal, state, local and foreign laws and regulations respecting labor, employment and employment practices and benefits, terms and conditions of employment and wages and hours, except where failure to be in compliance would not reasonably be expected to result in a Material Adverse Effect.

(y) Intellectual Property Rights. Except as disclosed in the Company's SEC Filings or as would not reasonably be expected to result in a Material Adverse Effect: (i) the Company owns or possesses adequate rights or licenses to use all trademarks, trade names, service marks, service mark registrations, service names, patents, patent rights, copyrights, trade secrets and other intellectual property rights ("Intellectual Property Rights") necessary to conduct its business as now conducted; (ii) the Company does not have any knowledge of any infringement by the Company of Intellectual Property Rights of others, nor does the Company have reason to believe that the Company has infringed or would infringe on the Intellectual Property Rights of others; (iii) there is no claim, action or proceeding against the Company regarding its Intellectual Property Rights; (iv) the Company has no knowledge of any infringement or improper use by any third party of any of the Company's Intellectual Property Rights; and (v) the Company has taken reasonable security measures to protect the secrecy, confidentiality and value of all of its Intellectual Property Rights. Notwithstanding anything in this Section 4(y) to the contrary, the Company may consummate a spin-off or enter into partnership, license and collaboration agreements and other similar arrangements.

(z) Environmental Laws. The Company (i) is in compliance with any and all Environmental Laws (as hereinafter defined), (ii) has received all permits, licenses or other approvals required of it under applicable Environmental Laws to conduct its respective businesses and (iii) is in compliance with all terms and conditions of any such permit, license or approval, where, in each of the foregoing clauses (i) - (iii), the failure to so comply could be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect. The term "Environmental Laws" means all federal, state, local or foreign laws relating to pollution or protection of human health or the environment (including, without limitation, ambient air, surface water, groundwater, land surface or subsurface strata), including, without limitation, laws relating to emissions, discharges, releases or threatened releases of chemicals, pollutants, contaminants, or toxic or hazardous substances or wastes (collectively, "Hazardous Materials") into the environment, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials, as well as all authorizations, codes, decrees, demands or demand letters, injunctions, judgments, licenses, notices or notice letters, orders, permits, plans or regulations issued, entered into, promulgated or approved thereunder.

(aa) Investment Company. The Company is not, and is not an affiliate of, an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

(bb) Tax Status. Except as would not have a Material Adverse Effect, the Company (i) has made or filed all foreign, federal and state income and all other tax returns, reports and declarations required by any jurisdiction to which it is subject, (ii) has paid all taxes and other governmental assessments and charges that are material in amount, shown or determined to be due on such returns, reports and declarations, except those being contested in good faith and (iii) has set aside on its books provision reasonably adequate for the payment of all taxes for periods subsequent to the periods to which such returns, reports or declarations apply.

(cc) Internal Accounting and Disclosure Controls. The Company maintains a system of internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorizations, (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain asset and liability accountability, (iii) access to assets or incurrence of liabilities is permitted only in accordance with management's general or specific authorization and (iv) the recorded accountability for assets and liabilities is compared with the existing assets and liabilities at reasonable intervals and appropriate action is taken with respect to any difference. The Company maintains "disclosure controls and procedures" (as such term is defined in Rule 13a-15 under the Exchange Act) that are effective in ensuring that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the rules and forms of the SEC, including, without limitation, controls and procedures designed to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the Company's management, including its principal executive officer or officers and its principal financial officer or officers, as appropriate, to allow timely decisions regarding required disclosure.

(dd) Off Balance Sheet Arrangements. There is no transaction, arrangement, or other relationship between the Company and an unconsolidated or other off balance sheet entity that is required to be disclosed by the Company in the Company's SEC Filings and is not so disclosed or that otherwise would have a Material Adverse Effect.

(ee) Subsidiaries. As of the Closing Date, the Company has no directly held subsidiary other than those listed on Exhibit 21 to the Company's Annual Report on Form 10−K for the year ended December 31, 2009. The Company is the beneficial owner (and the Company or a subsidiary is the record owner) of all of the equity interests in the Company's subsidiaries and holds such equity interests free and clear of all encumbrances except as are imposed by applicable securities laws.

(ff) Finders' Fees. Except for Sandler O'Neill & Partners, L.P., whose fees will be paid by the Company, there is no investment banker, broker, finder or other intermediary that has been retained by or is authorized to act on behalf of the Company or any of its affiliates who might be entitled to any fee or commission from the Company or any of its affiliates in connection with the transactions contemplated hereby.

(gg) Placement Agent's Fees. The Company shall be responsible for the payment of any placement agent's fees, financial advisory fees, or brokers' commissions, in each case payable to third parties retained by the Company, relating to or arising out of the Offering pursuant to this Agreement. The Company shall pay, and hold Fletcher harmless against, any liability, loss or expense (including, without limitation, reasonable attorney's fees and out-of-pocket expenses) arising in connection with any such claim for fees arising out of the Offering pursuant to this Agreement.

(hh) No Integrated Offering. Neither the Company, nor any Person acting on its behalf, has, directly or indirectly, made any offers or sales of any security or solicited any offers to buy any security, under circumstances that would cause the Offering to be integrated with prior offerings by the Company for purposes of the Securities Act or the rules and regulations of FINRA or Nasdaq.

(ii) Transfer Taxes. All stock transfer or other taxes (other than income or similar taxes) which are required to be paid in connection with the Offering will be, or will have been, fully paid or provided for by the Company, and all laws imposing such taxes will be or will have been complied with.

(jj) Manipulation of Price. The Company has not, and to its knowledge no one acting on its behalf has, (i) taken, directly or indirectly, any action designed to cause or to result in the stabilization or manipulation of the price of any security of the Company to facilitate the Offering or (ii) sold, bid for, purchased, or paid any compensation for soliciting purchases for the Offering.

(kk) Anti-dilution Provisions. Except as provided in Section 13(B) of that certain Warrant to Purchase Common Stock of the Company, issued December 5, 2008, to the United States Department of the Treasury, there is no anti-dilution provision under any agreement to which the Company is party or to which any assets of the Company are subject that is or would become effective as a result of Fletcher and the Company fulfilling their obligations or exercising their rights under this Agreement, the Certificate of Rights and Preferences and the Warrant, including, without limitation, as a result of the Company's issuance or Fletcher's ownership of the Preferred Stock or Warrant issuable hereunder or any Common Shares or Common Stock Equivalent Junior Preferred Shares.

5. Registration Provisions.

(a) The Company will keep the Registration Statement continuously effective (unless under applicable law it or any other registration statement filed pursuant to this Agreement expires, in which case the Company will prepare and file a replacement registration statement and use its reasonable best efforts to cause such replacement registration statement to be declared or become effective and to thereafter keep it continually effective) for so long as any Investment Securities continue to be issuable hereunder or under the Certificate of Rights and Preferences or the Warrant. In the event that the Company fails to maintain the effectiveness and availability of the Registration Statement at any time during the period described above, the Company will promptly provide notice thereof to Fletcher.

(b) The Company will prepare and file with the SEC such amendments and supplements to, or replacements of, the Registration Statement and the prospectus used in connection with the Registration Statement (as so amended and supplemented from time to time, the "Prospectus") as may be necessary to comply with the provisions of the Securities Act with respect to the issuance of all Investment Securities issuable to Fletcher hereunder or under the Certificate of Rights and Preferences or the Warrant.

(c) The Company will cause all Common Shares to be listed on the Nasdaq Global Select Market, Nasdaq Global Market or the New York Stock Exchange and each other securities exchange or quotation service on which similar securities issued by the Company are listed or qualified in the future.

(d) The Company will provide a transfer agent for all Common Shares and Common Stock Equivalent Junior Preferred Shares and a CUSIP number for all Common Shares and Common Stock Equivalent Junior Preferred Shares.

(e) The Company will otherwise comply with all applicable rules and regulations of the SEC, FINRA and Nasdaq.

(f) In addition to any other remedies available to Fletcher under this Agreement, under the Series C Certificate, under the Junior Preferred Certificate, under the Warrant or at law or equity, if there is a Registration Failure, then the Company shall pay to Fletcher an amount equal to the Registration Failure Percentage multiplied by the Registration Failure Amount with respect to each thirty (30)-day period or part thereof during which a Registration Failure shall have occurred or be continuing. Separate payment shall be due for each such thirty (30)-day period and no credit shall be given for any payment made in any prior period. For the avoidance of doubt, the parties agree and acknowledge that the only thirty (30)-day period for which the payments in this Section 5(f) shall be pro rated is the first thirty (30)-day period, and the full amount of the payment for any thirty (30)-day period described above shall become due if the Registration Failure continues on the first day of each such thirty (30)-day period (i.e., for a Registration Failure continuing on day 31, 61, 91, 121, 151, etc.). The Registration Failure shall be deemed to be continuing unless and until timely payment has been made under this Section 5(f). The payments described above shall be made by wire transfer of immediately available funds no later than five (5) days after and excluding the earlier of (x) the date on which the Registration Failure shall have been cured and (y) the last day of each thirty (30)-day period after the occurrence of a Registration Failure. For purposes of this Section 5(f), the term "Registration Failure Percentage" means the amount set forth in the following table:

Number of Days During Which a Registration Failure Shall Have Occurred or Been Continuing	**Registration Failure Percentage**
1-30	1/30 of 1.00% per day
31	1.00%
61	2.00%
91	2.00%
121	3.00%
151	3.00%
181	4.00%
211	4.00%
Thereafter	The registration failure percentage shall increase by 1.00% upon each successive 60-day period (i.e., on days 271, 331, 391, etc.).

For purposes of this Section 5(f), the term "Registration Failure Amount" means the Aggregate Investment Commitment as of the date of the Registration Failure.

(g) The Company shall not grant any right of registration under the Securities Act relating to any of its securities to any Person other than Fletcher if such rights would reasonably be expected to cause the Company to fail to honor any rights of Fletcher under this Agreement.

6. Limits With Respect to Shares Held or Shares Issuable.

(a) The Company and its board of directors shall call a stockholders' meeting for the purpose of voting on (i) the approval of the issuance of all Investment Securities issued or issuable under this Agreement, the Series C Certificate, the Junior Preferred Certificate and the Warrant and (ii) an increase in the authorized Common Stock to 300,000,000 shares (the "Stockholder Consent"), which meeting shall be held on or before June 30, 2010, and shall otherwise use its best efforts (including engaging Georgeson Shareholder Services or another nationally-recognized proxy solicitor) to obtain the Stockholder Consent on or before June 30, 2010 (the date on which the Stockholder Consent is obtained is referred to herein as the "Stockholder Consent Date"), including by (x) soliciting proxies to vote for the Stockholder Consent, (y) recommending to the Company's stockholders that such stockholders give the Stockholder Consent and (z) not withdrawing such recommendation. Until the Stockholder Consent is obtained, the Company shall not effect any conversion or redemption of the Preferred Stock or any exercise of the Warrant, and Fletcher shall not have the right to convert or redeem any portion of the Preferred Stock or exercise any portion of the Warrant to the extent such conversion, redemption or exercise would result in issuances under this Agreement, the Series C Certificate, the Junior Preferred Certificate and the Warrant of an aggregate number of shares of Common Stock and Common Stock Equivalent Junior Preferred Stock (measured on an as converted basis) in excess of nineteen and ninety-nine one-hundredths percent (19.99%) of the shares of Common Stock outstanding as of the date hereof, except that in the event of a Change of Control (as hereinafter defined), the total number of shares of common stock of the Acquiring Person issued or issuable hereunder shall not exceed a number equal to nineteen and ninety-nine one-hundredths percent (19.99%) of the outstanding common stock (or other, most widely-held class of security) of the Acquiring Person.

(b) The Company shall not effect any conversion or redemption of the Preferred Stock or any exercise of the Warrant, and Fletcher shall not have the right to convert or redeem any portion of the Preferred Stock or exercise any portion of the Warrant, to the extent the number of shares of Common Stock and Common Stock Equivalent Junior Preferred Stock beneficially owned (calculated in accordance with Rule 13d-3 promulgated under the Exchange Act) by Fletcher immediately following such conversion, redemption or exercise would exceed nine and nine tenths percent (9.90%) of the aggregate number of shares of Common Stock and Common Stock Equivalent Junior Preferred Stock (measured on an as converted basis) outstanding after giving effect to such conversion, redemption or exercise (the "Maximum Number"). Unless expressly waived in writing by Fletcher, the Company shall deliver to Fletcher on or before the tenth (10th) day of each calendar month commencing with the month of April 2010 a notice (an "Outstanding Share Notice") stating the aggregate number of shares of Common Stock and Common Stock Equivalent Junior Preferred Stock outstanding as of the last day of the preceding month and the increase (an "Increase") or decrease (a "Decrease"), if any, in the aggregate number of shares of Common Stock and Common Stock Equivalent Junior Preferred Stock from the number of shares reported on the preceding Outstanding Share Notice (or, in the case of the first Outstanding Share Notice, the number of shares of Common Stock and Common Stock Equivalent Junior Preferred Stock outstanding as reported in Section 4(l)). The Maximum Number shall also be increased on the sixty-fifth (65th) day after Fletcher delivers a written notice (a "65-Day Notice") to the Company designating a greater Maximum Number. A 65-Day Notice may be given by Fletcher at any time and from time to time on one or more occurrences.

(c) The Company shall not effect any conversion or redemption of the Preferred Stock, and Fletcher shall not have the right to convert or redeem any portion of the Preferred Stock, into Common Stock to the extent such conversion or redemption would result in aggregate issuances to Fletcher under this Agreement, the Certificate of Rights and Preferences and the Warrant of in excess of nine and seventy-five one hundredths percent (9.75%) (the "Maximum Voting Stock Amount") of the number of shares of Common Stock that will be outstanding after giving effect to such conversion or redemption. The holders of more than fifty percent (50%) of the then outstanding Preferred Stock shall have the right to permanently reduce the percentage used in the determination of the Maximum Voting Stock Amount to four and seventy-five one hundredths percent (4.75%) at any time, effective upon delivery of written notice of such election to the Company. In the event that the Company cannot effect a conversion or redemption of the Preferred Stock pursuant to the terms of this Section 6(c), the conversion or redemption shall be effected into an equal number of shares of Common Stock Equivalent Junior Preferred Stock of the Company; provided, however, that in no event shall the Company effect any conversion or redemption of the Preferred Stock or exercise of the Warrant to the extent such conversion, redemption or exercise would result in aggregate issuances to Fletcher under this Agreement, the Certificate of Rights and Preferences and the Warrant of in excess of thirty-three and thirty-three one hundredths percent (33.33%) of the Total Equity of the Company. For purposes of the preceding sentence, "Total Equity" means the value as reflected on the balance sheet of the Company of all shares of common, preferred and other equity capital of the Company outstanding as of the date of determination.

(d) Any shares of Common Stock, Common Stock Equivalent Junior Preferred Stock or other consideration (in the form of cash, securities or other assets per Common Share issuable to a holder of shares of Common Stock or Common Stock Equivalent Junior Preferred Stock in connection with a Change of Control) that would have been issued to Fletcher upon conversion or redemption of any Preferred Stock, or as dividends on the Preferred Stock or upon exercise of the Warrant but for one or more of the limitations contained in this Section 6 shall be deferred and shall be delivered to Fletcher promptly and in any event no later than three (3) Business Days after the date such limitations cease to restrict the issuance of such shares or other consideration (whether due to an increase in the Maximum Number so as to permit such issuance, the disposition by Fletcher of shares of Common Stock or Common Stock Equivalent Junior Preferred Stock or any other reason) unless the Company has withdrawn the applicable Conversion Notice or Fletcher has withdrawn the applicable Redemption Notice (each as defined in the Certificate of Rights and Preferences) or Warrant Exercise Notice (as defined in the Warrant). During the time of any such deferral, the Company shall no longer be obligated to pay any dividend on the Preferred Stock or provide or recognize any other preferences, limitations, powers or other rights provided under the Series C Certificate to the extent that, if the Preferred Stock would have been converted or redeemed, Fletcher would beneficially own Common Stock and Common Stock Equivalent Junior Preferred Stock that would exceed the Maximum Number.

7. Representations and Warranties of Fletcher. Fletcher hereby represents and warrants to the Company on the date hereof, on each Closing Date, on each Warrant Closing Date and on each Conversion Closing Date and Redemption Closing Date (each as defined in the Certificate of Rights and Preferences) as follows:

(a) Fletcher has been duly incorporated and is validly existing and in good standing under the laws of Bermuda.

(b) The execution, delivery and performance of this Agreement by Fletcher have been duly authorized by all requisite corporate action and no further consent or authorization of Fletcher, its Board of Directors or its stockholders is required. This Agreement has been duly executed and delivered by Fletcher and, when duly authorized, executed and delivered by the Company, will be a valid and binding agreement enforceable against Fletcher in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights generally and to general principles of equity.

(c) Fletcher understands that no United States federal or state agency has passed on, reviewed or made any recommendation or endorsement of the Investment Securities.

(d) Fletcher will have on each Closing Date sufficient immediately-available funds in cash to enable Fletcher to pay the Investment Amount to be paid on such Closing Date.

8. Future Equity Issuances.

(a) Notice and Participation Rights. During the Investment Period and for one (1) year thereafter (the "Future Equity Issuance Notice Period"), if the Company intends to engage in any sale or issuance to any Person (other than Fletcher or its affiliates) of any shares of, or securities convertible into, exercisable or exchangeable for, or whose value is derived in whole or in part from, any shares of any class of the Company's capital stock at a price per share less than the then applicable Conversion Price, other than any issuance or sale (i) to any wholly-owned subsidiary, (ii) pursuant to a stock option plan, employee stock purchase plan or restricted stock plan approved by the Board of Directors, or (iii) upon the exercise or conversion of any options (other than options issued to employees or directors pursuant to a stock option plan, employee stock purchase plan or restricted stock plan), warrants or convertible notes outstanding on the date of this Agreement, in each case in accordance with the terms of such options, warrants or convertible notes in effect on the date of this Agreement (a "Future Equity Issuance"), the Company shall promptly notify Fletcher that the Company intends to effect a Future Equity Issuance (the "Future Equity Issuance Notice"). If, within two (2) Business Days after and excluding the date of receipt of such notice, Fletcher notifies the Company in writing that Fletcher would like to be informed of the terms and conditions of such Future Equity Issuance, then the Company shall promptly provide Fletcher with a written description of the terms and conditions of such proposed Future Equity Issuance, including a description of the capital stock to be sold or issued, the investor or investors in the Future Equity Issuance, the price, the quantity and all other information reasonably necessary for Fletcher to make an informed decision on whether it desires to participate in the Future Equity Issuance (the "Future Equity Issuance Description"). If Fletcher notifies the Company in writing that Fletcher elects to purchase all or a portion of the capital stock that the Company intends to sell or issue in the Future Equity Issuance (which election shall include the number of shares of such capital stock that Fletcher intends to purchase) by 11:59 p.m., New York City time, on the third (3rd) Business Day after and excluding the date of the Future Equity Issuance Description, then the Company shall not consummate such Future Equity Issuance without selling Fletcher the capital stock that it elected to purchase at or prior to the consummation of such Future Equity Issuance or promptly thereafter at a closing date and place established prior to such consummation, which purchase shall be at the price and on the other terms and conditions of the Future Equity Issuance. If Fletcher does not elect to receive a Future Equity Issuance Description with respect to a Future Equity Issuance, then promptly, and no later than one (1) Business Day after and excluding, the date of announcement of such Future Equity Issuance (or, if such Future Equity Issuance is not required to be publicly announced, the date of closing of such Future Equity Issuance), the Company shall provide Fletcher with a written description of the material terms of such Future Equity Issuance.

(b) No Integrated Offering. Notwithstanding the foregoing, the Company shall ensure that no Person acting on its behalf shall sell, offer for sale or solicit offers to buy or otherwise negotiate in respect of any security that may be integrated with the Offering for purposes of the Securities Act or the rules and regulations of FINRA or Nasdaq.

9. Covenants. The Company covenants and agrees with Fletcher as follows:

(a) For so long as Fletcher has the right to purchase any Investment Securities and for a period of one (1) year thereafter, the Company will use its best efforts to, (i) except as otherwise provided in Section 5 hereof, maintain the effectiveness of the Registration Statement with respect to the shares of Preferred Stock and Warrants issuable under this Agreement and the Warrant; and (ii) cause the representations and warranties contained in paragraphs (o), (hh), (jj) or (kk) of Section 4 hereof to be and remain true and correct, except those representations and warranties which address matters only as of a particular date, which shall be true and correct as of such date. For so long as Fletcher owns any Investment Securities and for a period of one (1) year thereafter, the Company will use its best efforts to (i) maintain the eligibility of the Common Stock for listing on the Nasdaq Global Select Market, Nasdaq Global Market or New York Stock Exchange; (ii) regain the eligibility of the Common Stock for listing or quotation on the Nasdaq Global Select Market, Nasdaq Global Market or New York Stock Exchange in the event that the Common Stock is delisted by the Nasdaq Global Select Market, Nasdaq Global Market or New York Stock Exchange or any other applicable market or exchange; and (iii) obtain a listing on Nasdaq Global Market or the New York Stock Exchange if the Common Stock is delisted by the Nasdaq Global Select Market.

(b) If a Restatement occurs, the Company shall deliver to Fletcher a Restatement Notice within three (3) Business Days of such Restatement.

(c) The Company will provide Fletcher with a reasonable opportunity, which shall not be less than two (2) full Business Days, to review and comment on any public disclosure by the Company of information regarding this Agreement and the transactions contemplated hereby, before such public disclosure.

(d) The Company will make all filings required by law to be filed by it with respect to the transactions contemplated hereby.

(e) The Company will comply with the terms and conditions of the Series C Certificate, the Junior Preferred Certificate and the Warrant.

(f) For so long as Fletcher owns any Investment Securities, within five (5) Business Days after the filing of each of its quarterly reports on Form 10-Q with the SEC, the Company shall deliver to Fletcher a certificate of the Chief Executive Officer and Chief Financial Officer of the Company stating that, based on their knowledge, the final consolidated unaudited financial statements including the footnotes thereto contained therein fairly present in all material respects the financial condition in conformity with accounting principles generally accepted in the United States, results of operations and cash flows of the Company as of and for the periods presented therein.

(g) The Company shall use its commercially reasonable efforts to cause the Common Shares to be eligible for book-entry transfer through The Depository Trust Company (or any successor thereto) as soon as practicable after the date of this Agreement and thereafter to use its commercially reasonable efforts to maintain such eligibility.

(h) The Company shall at all times reserve for issuance such number of its shares of Preferred Stock, Common Stock Equivalent Junior Preferred Stock and, after Stockholder Consent is obtained, Common Stock as shall from time to time be sufficient to satisfy its obligation to deliver such shares under this Agreement, the Series C Certificate, the Junior Preferred Certificate and the Warrant. In the event the number of shares of Common Stock, Common Stock Equivalent Junior Preferred Stock or other securities issued and issuable under this Agreement, the Series C Certificate, the Junior Preferred Certificate and the Warrant exceeds the authorized number of shares of Common Stock (after Stockholder Consent is received), Common Stock Equivalent Junior Preferred Stock (after such stock is designated pursuant to Section 9(k)) or other securities, the Company shall promptly take all actions necessary to increase the authorized number of shares of Common Stock and Common Stock Equivalent Junior Preferred Stock.

(i) Unless expressly waived by Fletcher, the Company shall deliver an Outstanding Share Notice to Fletcher on or before the tenth (10th) day of each calendar month pursuant to Section 6(b).

(j) The Company shall cooperate in good faith to assist with any assignment, pledge, hypothecation or transfer of the Investment Securities, including without limitation making its representatives available for discussions with lenders and assignees and promptly processing requests to retitle the Investment Securities.

(k) The Company shall designate the Common Stock Equivalent Junior Preferred Stock by filing the Articles of Amendment related thereto with the Secretary of State of the State of Georgia as promptly as reasonably practicable after the announcement of this Agreement and not later than the earlier of (i) ten (10) Business Days after the date hereof or (ii) the date the Warrant is issued. The Company shall not register the Common Stock Equivalent Junior Preferred Stock pursuant to Section 12 of the Exchange Act without the prior written consent of Fletcher.

(l) The Company shall not authorize more than 65,000 shares of Preferred Stock or issue shares of Preferred Stock other than pursuant to this Agreement.

10. Change of Control.

(a) In the event of a Change of Control, in addition to the rights contained in this Agreement, Fletcher shall have the rights set forth in the Series C Certificate, the Junior Preferred Certificate and the Warrant regarding Changes of Control. The Company agrees that: (i) it shall deliver to Fletcher written notice (a "Change of Control Notice") of any proposed Change of Control (which notice shall specify the expected effective date of such Change of Control) promptly following public disclosure of such proposed Change of Control and in any event not later than fifteen (15) Business Days prior to the expected effective date of the proposed Change of Control; and (ii) it will not enter into an agreement resulting in a Change of Control unless such agreement expressly obligates the Acquiring Person to assume upon consummation of the Change of Control all of the Company's obligations under this Agreement, the Certificate of Rights and Preferences and the Warrant. On or before the date an agreement is entered into with an Acquiring Person resulting in a Change of Control, the Company shall deliver to Fletcher written notice that the Acquiring Person has agreed to assume such obligations and regardless of whether such express assumption occurs or if no such agreement exists, the Acquiring Person shall be bound by such obligations.

(b) In the event that a proposed Change of Control is publicly disclosed or a Change of Control Notice is delivered (or an event shall have occurred that would, with or without the passage of time, require the delivery of a Change of Control Notice), on and after the date of such announcement or, if earlier, the date of such event, Fletcher shall not be obligated to consummate any further Investments, but rather shall have the right to consummate any Investments in its sole discretion.

(c) Between the date a proposed Change of Control is publicly disclosed or Change of Control Notice is delivered (or an event shall have occurred that would, with or without the passage of time, require the delivery of a Change of Control Notice) and the effective date of the Change of Control, Fletcher shall continue to have the right to submit to the Company an Investment Notice and consummate any Investment, in Fletcher's sole discretion, in accordance with the terms and conditions of this Agreement. In addition, Fletcher at its sole option may elect to submit to the Company a special notice (a "Contingent Investment Notice") to effect an Investment for all or part of the remaining Aggregate Investment Commitment in connection with such Change of Control; in which case, notwithstanding the provisions of Section 3 hereof:

(i) the effectiveness of such contingent investment shall be conditional upon the effectiveness of the Change of Control; and

(ii) the shares of Preferred Stock issuable upon such contingent investment shall be treated as outstanding as of immediately before such Change of Control for all purposes under the Series C Certificate, including all rights with respect thereto under Section 6(F) of the Series C Certificate. Without limiting the generality of the foregoing, the Company shall honor any Contingent Notice (as defined in the Certificate of Rights and Designations) by Fletcher to redeem the shares of Preferred Stock issuable pursuant to this Section 10(c) in connection with such Change of Control.

(d) "Change of Control" means (i) an acquisition of more than fifty percent (50%) of the equity securities of the Company (measured by vote or value) by means of merger or other form of corporate reorganization in which outstanding shares of the Company are exchanged for securities or other consideration issued, or caused to be issued, by the Acquiring Person or its Parent, Subsidiary or Affiliate (each as defined in Rule 12b-2 of the Exchange Act), other than a restructuring by the Company where outstanding shares of the Company are exchanged for shares of the Acquiring Person on a one-for-one basis and, immediately following the exchange, former stockholders of the Company own all of the outstanding shares of the Acquiring Person on the same pro rata basis as prior to the exchange, (ii) a sale or other disposition of all or substantially all of the assets of the Company (on a consolidated basis) in a single transaction or series of related transactions, (iii) any tender offer, exchange offer, stock purchase or other transaction or event or series of related transactions or events by or involving the Company in which a single entity or group becomes the direct or indirect owner of more than fifty percent (50%) of the equity securities of the Company (measured by vote or value), or (iv) a capital reorganization or reclassification of the Common Stock or other securities (other than a reorganization or reclassification in which the Common Stock or other securities are not converted into or exchanged for cash or other property, and, immediately after consummation of such transaction, the stockholders of the Company immediately prior to such transaction own the Common Stock, other securities or other voting stock of the Company in substantially the same proportions relative to each other as such stockholders owned immediately prior to such transaction). Notwithstanding anything contained herein to the contrary, a change in the state of incorporation of the Company shall not in and of itself constitute a Change of Control.

(e) "Acquiring Person" means, in connection with any Change of Control any of the following, at Fletcher's election, (i) the continuing or surviving Person of a consolidation or merger with the Company (if other than the Company), (ii) the transferee of all or substantially all of the properties or assets of the Company, (iii) the corporation consolidating with or merging into the Company in a consolidation or merger in connection with which the Common Stock is changed into or exchanged for stock or other securities of any other Person or cash or any other property, (iv) the entity or group acting in concert acquiring or possessing the power to cast the majority of the eligible votes at a meeting of the Company's stockholders at which directors are elected, or, (v) in the case of a capital reorganization or reclassification, the Company, or (vi) at Fletcher's election, any Person that (x) controls the Acquiring Person directly or indirectly through one or more intermediaries, (y) is required to include the Acquiring Person in the consolidated financial statements contained in such Person's Annual Report on Form 10-K (if such Person is required to file such a report) or would be required to so include the Acquiring Person in such Person's consolidated financial statements if they were prepared in accordance with U.S. generally accepted accounting principles and (z) is not itself included in the consolidated financial statements of any other Person (other than its consolidated subsidiaries).

11. Restatements.

(a) If a Restatement occurs, the Company shall deliver to Fletcher, a written notice in the form attached hereto as Annex C (a "Restatement Notice") within three (3) Business Days after such Restatement, stating the date on which a Restatement has occurred and including the documents in which the Restatement was publicly disclosed.

(b) "Restatement" means the earlier of (i) the announcement by the Company of its intention to restate any portion of the Company Financial Statements and (ii) the actual restatement by the Company of any portion of the Company Financial Statements.

12. Conditions Precedent to Fletcher's Obligations. The obligations of Fletcher hereunder are subject to the performance by the Company of its obligations hereunder and to the satisfaction of the following additional conditions precedent, unless expressly waived in writing by Fletcher:

(a) (i) from and after the date of this Agreement through and including each Closing Date or Warrant Closing Date, (A) the representations and warranties made by the Company in paragraphs (a), (b), (c), (d), (e), (f), (g), (h), (i), (l) and (kk) of Section 4 of this Agreement shall be true and correct (except those representations and warranties which address matters only as of a particular date, which shall be true and correct as of such date) and (B) all other representations and warranties made by the Company in this Agreement shall be true and correct in all material respects (except those representations and warranties qualified by material, materiality, Material Adverse Effect or similar expressions, which shall be true and correct in all respects and those representations and warranties which address matters only as of a particular date, which shall be true and correct as of such date); (ii) from and after the date of this Agreement through and including each Closing Date or Warrant Closing Date, the Company shall have complied fully with all of the covenants and agreements in this Agreement and the Warrant; (iii) on each Closing Date or Warrant Closing Date, the Company shall not possess any negative, material non-public information other than as shall have been filed with the SEC at least five (5) Business Days prior to and excluding the Closing Date or Warrant Closing Date; and (iv) on each Closing Date or Warrant Closing Date, Fletcher shall have received a certificate of the Chief Executive Officer and the Chief Financial Officer of the Company dated such date confirming the matters set forth in the preceding clauses (i), (ii) and (iii).

(b) On each Closing Date, Conversion Closing Date, Redemption Closing Date (each as defined in the Certificate of Rights and Preferences) and Warrant Closing Date, the Company shall have delivered to Fletcher an opinion of Kilpatrick Stockton LLP, reasonably satisfactory to Fletcher, dated the date of delivery, confirming in substance the matters covered by paragraphs (a), (b), (c), (d), (e), (f), (g), (h), (i), (l) and (kk) of Section 4 hereof.

(c) No Registration Failure shall have occurred that is continuing.

(d) A Prospectus in form and substance reasonably satisfactory to Fletcher shall have been filed on or before the date that is one Business Day prior to the first Closing Date and shall remain available and in effect on each Closing Date.

(e) The Company shall have submitted to the Nasdaq Global Select Market a correct and complete Notice for Listing of Additional Shares by no later than ten (10) Business Days after the date hereof.

(f) From and after the date of this Agreement through and including each Closing Date and Warrant Closing Date, all shares of Common Stock issued and issuable hereunder or under the Series C Certificate, the Junior Preferred Certificate or the Warrant shall be duly listed and admitted for trading on the Nasdaq Global Select Market, Nasdaq Global Market or the New York Stock Exchange.

(g) On each Closing Date and Warrant Closing Date, Fletcher shall have received from the transfer agent of the Company a certificate with respect to the total number of shares of Common Stock and Common Stock Equivalent Junior Preferred Stock outstanding as of a date on or around Closing Date.

(h) From and after the date of this Agreement through and including the Closing Date and Warrant Closing Date, there shall not have been a Restatement.

(i) On or before the Closing Date, the Company shall have filed with the Georgia Secretary of State the Series C Certificate and the Junior Preferred Certificate.

(j) The Stockholder Consent shall have been obtained on or prior to June 30, 2010.

For the avoidance of doubt, Fletcher may waive or refuse to waive any of the foregoing conditions in its sole discretion with respect to any Closing without being obligated to waive or refuse to waive any of the foregoing conditions with respect to any other Closing.

13. Conditions Precedent to the Company's Obligations. The obligations of the Company hereunder are subject to the performance by Fletcher of its obligations hereunder and to the satisfaction (unless expressly waived in writing by the Company) of the additional conditions precedent that, on each Closing Date or Warrant Closing Date: (a)(i) the representations and warranties made by Fletcher in paragraphs (a), (b) and (d) of Section 7 of this Agreement shall be true and correct (except those representations and warranties which address matters only as of a particular date, which shall be true and correct as of such date) and (ii) all other representations and warranties made by Fletcher in this Agreement shall be true and correct in all material respects (except those representations and warranties which address matters only as of a particular date, which shall be true and correct as of such date); (b) Fletcher shall have complied fully with all the covenants and agreements in this Agreement; and (c) the Company shall have received on each such date a certificate of an appropriate officer of Fletcher dated such date confirming (a) and (b). For the avoidance of doubt, the Company may waive or refuse to waive any of the foregoing conditions in its sole discretion with respect to any Closing without being obligated to waive or refuse to waive any of the foregoing conditions with respect to any other Closing.

14. Fees and Expenses. Each of Fletcher and the Company agrees to pay its own expenses incident to the performance of its obligations hereunder, including, but not limited to the fees, expenses and disbursements of such party's counsel, except as is otherwise expressly provided in this Agreement. Notwithstanding the foregoing, the Company shall pay all fees and expenses associated with the filing of any Registration Statement, including, without limitation, all fees and expenses associated with any FINRA filing, if applicable.

15. Non-Performance.

(a) By the Company. If the Company, at any time, shall fail to deliver the Investment Securities required to be delivered to Fletcher pursuant to this Agreement, the Series C Certificate, the Junior Preferred Certificate or the Warrant, in accordance with the terms and conditions of this Agreement, the Series C Certificate, the Junior Preferred Certificate or the Warrant, as the case may be, for any reason other than the failure of any condition precedent to the Company's obligations hereunder or the failure by Fletcher to comply with its obligations hereunder, then the Company shall (without limitation to Fletcher's other remedies at law or in equity):

(i) indemnify and hold Fletcher harmless against any loss, claim or damage arising from or as a result of such failure by the Company (regardless of whether any of the foregoing results from a third-party claim or otherwise); and

(ii) reimburse Fletcher for all of its reasonable out-of-pocket expenses (which includes fees and expenses of its counsel) incurred by Fletcher in connection with this Agreement, the Series C Certificate, the Junior Preferred Certificate, the Warrant and the transactions contemplated herein and therein (regardless of whether any of the foregoing results from a third-party claim or otherwise).

(b) By Fletcher. If, as of the One Year Anniversary Date, Fletcher shall have failed to effect Investments equal to the Aggregate Investment Commitment for any reason other than (i) the failure of any condition precedent to Fletcher's obligations hereunder, (ii) the failure by the Company to comply with its obligations hereunder, or (iii) delivery of a Change of Control Notice or the occurrence of an event that would require the delivery of a Change of Control Notice, then on the Business Day immediately following, Fletcher shall pay to the Company an amount equal to Five Percent (5%) of the amount of the Aggregate Investment Commitment not subject to clauses (i), (ii) or (iii) that has not been satisfied by Fletcher as of such date. If, as of the last day of the Investment Period, Fletcher shall have failed to effect Investments equal to the Aggregate Investment Commitment for any reason other than as set forth in clauses (i), (ii) or (iii) of the immediately preceding sentence, then on the Business Day immediately following, Fletcher shall pay to the Company an amount equal to Five Percent (5%) of the amount of the Aggregate Investment Commitment not subject to clauses (i), (ii) or (iii) of the immediately preceding sentence that has not been satisfied by Fletcher as of such date. All payments pursuant to this Section 15(b) shall be made by wire transfer on the next Business Day of immediately available United States funds in accordance with the wire transfer instructions set forth on Annex E hereto. Notwithstanding Section 16(b), this Section 15(b) shall be the Company's sole remedy against Fletcher for any failure to comply with its obligation to effect the Investments required to be made under this Agreement. For purposes of this Section 15(b), the term "One Year Anniversary Date" shall mean (x) if the Investment Period has not been extended pursuant to Section 1(b), the one year anniversary of the Stockholder Consent Date, and (y) if the Investment Period has been extended pursuant to Section 1(b), the date that is X number of Business Days after the one year anniversary of the Stockholder Consent Date, where X is equal to the number of Business Days by which the Investment Period has been extended.

16. Indemnification.

(a) Indemnification of Fletcher. The Company hereby agrees to indemnify Fletcher and each of its officers, directors, employees, consultants, agents, attorneys, accountants and affiliates and each Person that controls (within the meaning of Section 20 of the Exchange Act) any of the foregoing Persons (each a "Fletcher Indemnified Party") against any claim, demand, action, liability, damages, loss, cost or expense (including, without limitation, reasonable legal fees and expenses incurred by such Person in investigating or defending any of the foregoing regardless of whether the foregoing results from a third-party claim or otherwise) (all of the foregoing, including associated costs and expenses being referred to herein as "Damages"), that it may incur in connection with any of the transactions contemplated hereby arising out of or based upon:

(i) any untrue or alleged untrue statement of a material fact in a SEC Filing by the Company or any of its affiliates or any Person acting on its or their behalf or omission or alleged omission to state therein any material fact necessary in order to make the statements, in light of the circumstances under which they were made, not misleading by the Company or any of its affiliates or any Person acting on its or their behalf;

(ii) any of the representations or warranties made by the Company herein being untrue or incorrect at the time such representation or warranty was made; and

(iii) any breach or non-performance by the Company of any of its covenants, agreements or obligations under this Agreement, the Certificate of Rights and Preferences or the Warrant;

provided, however, that the foregoing indemnity shall not apply to any Damages to the extent that they arise out of, or are based upon, the gross negligence or willful misconduct of Fletcher in connection therewith.

(b) Indemnification of the Company. Fletcher hereby agrees to indemnify the Company and each of its officers, directors, employees, consultants, agents, attorneys, accountants and affiliates and each Person that controls (within the meaning of Section 20 of the Exchange Act) any of the foregoing Persons against any Damages that it may incur in connection with any of the transactions contemplated hereby arising out of or based upon:

(i) any untrue or alleged untrue statement of a material fact included in an SEC filing by the Company with the written consent of or at the direction of Fletcher therefor by or about Fletcher or any of its affiliates or any Person acting on its or their behalf or omission or alleged omission to state any such material fact necessary in order to make the statements, in the light of the circumstances under which they were made, not misleading by Fletcher or any of its affiliates or any Person acting on its or their behalf;

(ii) any of the representations or warranties made by Fletcher herein being untrue or incorrect at the time such representation or warranty was made; and

(iii) any breach or non-performance by Fletcher of any of its covenants, agreements or obligations under this Agreement;

provided, however, that the foregoing indemnity shall not apply to any Damages to the extent that they arise out of, or are based upon, the gross negligence or willful misconduct of the Company in connection therewith.

(c) Notwithstanding anything to the contrary contained in this Agreement, neither the Company nor Fletcher shall be liable or otherwise responsible for consequential, incidental, special, indirect, exemplary or punitive damages, provided that, notwithstanding the foregoing, neither the Company nor Fletcher waives actual or compensatory damages, including actual or compensatory damages measured by diminution in value of the shares of Preferred Stock, Common Shares or Common Stock Equivalent Junior Preferred Shares.

(d) Conduct of Third Party Claims.

(i) Whenever a claim for indemnification shall arise under this Section 16 as a result of a third-party claim, the party seeking indemnification (the "Indemnified Party"), shall notify the party from whom such indemnification is sought (the "Indemnifying Party") in writing of the claim and the facts constituting the basis for such claim in reasonable detail;

(ii) Such Indemnifying Party shall have the right to retain the counsel of its choice in connection with such claim and to participate at its own expense in the defense of any such claim; provided, however, that counsel to the Indemnifying Party shall not (except with the consent of the relevant Indemnified Party) also be counsel to such Indemnified Party. In no event shall the Indemnifying Party be liable for fees and expenses of more than one counsel (in addition to any local counsel) separate from its own counsel for all Indemnified Parties in connection with any one action or separate but similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances; and

(iii) No Indemnifying Party shall, without the prior written consent of the Indemnified Parties (which consent shall not be unreasonably withheld), settle or compromise or consent to the entry of any judgment with respect to any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever in respect of which indemnification could be sought under this Section 16 unless such settlement, compromise or consent (A) includes an unconditional release of each Indemnified Party from all liability arising out of such litigation, investigation, proceeding or claim and (B) does not include a statement as to or an admission of fault, culpability or a failure to act by or on behalf of any Indemnified Party.

17. Survival of the Representations and Warranties. The respective representations and warranties made herein by or on behalf of the parties hereto shall remain in full force and effect, regardless of any investigation made by or on behalf of the other party to this Agreement or any officer, director or employee of, or Person controlling or under common control with, such party and will survive delivery of and payment for any Investment Securities issuable hereunder and for one (1) year thereafter.

18. Notices. All communications hereunder shall be in writing and delivered as set forth below.

(a) If sent to Fletcher, all communications will be deemed delivered: if delivered by hand, on the day received by Fletcher; if sent by reputable overnight courier, on the next Business Day; and if transmitted by facsimile to Fletcher, on the date transmitted (provided such facsimile is later confirmed), in each case to the address set forth in Annex D hereto (unless otherwise notified in writing of a substitute address).

(b) If sent to the Company, all communications will be deemed delivered: if delivered by hand, on the day received by the Company; if sent by reputable overnight courier, on the next Business Day; and if transmitted by facsimile to the Company, on the date transmitted (provided such facsimile is later confirmed), in each case to the following address (unless otherwise notified in writing of a substitute address):

United Community Banks, Inc.
125 Highway 515 East
Blairsville, Georgia 30512
Attention: Rex S. Schuette
Telephone: (706) 745-2265
Facsimile: (706) 745-9046

with a copy to (which copy shall not constitute notice):

Kilpatrick Stockton LLP
1100 Peachtree Street
Suite 2800
Atlanta, Georgia 30309
Attention: James W. Stevens
Telephone: (404) 815-6270
Facsimile: (404) 541-3400

(c) To the extent that any funds shall be delivered to the Company by wire transfer, unless otherwise instructed by the Company, such funds should be delivered in accordance with the wire instructions set forth in Annex E**.**

(d) If the Company does not agree and acknowledge the delivery of any 65-Day Notice under this Agreement by 11:59 p.m., New York City time, on the Business Day following the date of delivery of such notice, such non-response by the Company shall be deemed to be agreement and acknowledgment by the Company with the terms of such notice.

19. Miscellaneous.

(a) The parties may execute and deliver this Agreement as a single document or in any number of counterparts, manually, by facsimile or by other electronic means, including contemporaneous xerographic or electronic reproduction by each party's respective attorneys. Each counterpart shall be an original, but a single document or all counterparts together shall constitute one instrument that shall be the agreement.

(b) This Agreement will inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns and, with respect to Section 16 hereof, will inure to the benefit of their respective officers, directors, employees, consultants, agents, attorneys, accountants and affiliates and each Person that controls (within the meaning of Section 20 of the Exchange Act) any of the foregoing Persons, and no other Person will have any right or obligation hereunder. Except as set forth herein, neither the Company nor Fletcher may assign or transfer this Agreement without the written consent of the other party hereto, which consent shall not be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, Fletcher may, in whole or in part, in its sole discretion (i) assign, pledge, hypothecate or transfer the Investment Securities, (ii) assign, pledge, hypothecate or transfer this Agreement or any of the rights and associated obligations contemplated by this Agreement (including, but not limited to, the Investment Securities) to any affiliates, parallel investment funds, co-investment funds or successor investment funds of Fletcher, and (iii) pledge or hypothecate any of the rights and associated obligations contemplated by this Agreement (including, but not limited to, the Investment Securities) in connection with financing, derivative or hedging transactions with respect to this Agreement and the Investment Securities, provided, that, any such assignment, pledge, hypothecation or transfer must comply with applicable federal and state securities laws. No Person acquiring Common Stock or Common Stock Equivalent Junior Preferred Stock from Fletcher will thereby obtain any of the rights contained in this Agreement but an acquirer of Preferred Stock or the Warrant will have the rights of Fletcher contained in this Agreement to the extent that the Series C Certificate or the Warrant, respectively, define the rights of the Holder of such securities by express reference to this Agreement. This Agreement, together with the Series C Certificate, the Junior Preferred Certificate and the Warrant, constitutes the entire agreement and supersedes all prior agreements and understandings, both written and oral, between the parties hereto with respect to the subject matter of this Agreement. Except as provided in this Section 19(b), this Agreement is not intended to confer upon any Person other than the parties hereto any rights or remedies hereunder.

(c) This Agreement shall be governed by, and construed in accordance with, the internal laws of the State of New York, and each of the parties hereto hereby submits to the exclusive jurisdiction of any state or federal court in New York City, New York and any court hearing any appeal therefrom, over any suit, action or proceeding against it arising out of or based upon this Agreement (a "Related Proceeding"). Each of the parties hereto hereby waives any objection to any Related Proceeding in such courts whether on the grounds of venue, residence or domicile or on the ground that the Related Proceeding has been brought in an inconvenient forum.

(d) Each party represents and acknowledges that, in the negotiation and drafting of this Agreement and the other instruments and documents required or contemplated hereby, it has been represented by and relied upon the advice of counsel of its choice. Each party hereby affirms that its counsel has had a substantial role in the drafting and negotiation of this Agreement and such other instruments and documents. Therefore, each party agrees that no rule of construction to the effect that any ambiguities are to be resolved against the drafter shall be employed in the interpretation of this Agreement and such other instruments and documents.

(e) Without prejudice to other rights or remedies hereunder, interest shall be due on any amount that is due pursuant to this Agreement or the Warrant and has not been paid when due (or the cash equivalent of Preferred Stock which the Company fails to deliver as required by the terms of this Agreement or of Common Shares or Common Stock Equivalent Junior Preferred Shares which the Company fails to deliver pursuant to this Agreement, the Series C Certificate, the Junior Preferred Certificate or the Warrant), calculated for the period from and including the due date to but excluding the date on which such amount is paid at the lower of (i) twelve percent (12%) or (ii) the prime rate of U.S. money center banks as published in The Wall Street Journal (or if The Wall Street Journal does not exist or publish such information, then the average of the prime rates of three (3) U.S. money center banks agreed to by the parties) plus nine percent (9%) or such lesser amount as is permitted under applicable usury or other law. For the avoidance of doubt, this Section 19(e) shall not apply to any unpaid dividend on the Preferred Stock.

(f) Fletcher and the Company stipulate that the remedies at law of the parties hereto in the event of any default or threatened default by either party in the performance of or compliance with any of the terms of this Agreement, the Series C Certificate, the Junior Preferred Certificate and the Warrant are not and will not be adequate and that, to the fullest extent permitted by law, such terms may be specifically enforced by a decree for the specific performance of any agreement contained herein or by an injunction against a violation of any of the terms hereof or otherwise.

(g) Any and all remedies set forth in this Agreement, the Series C Certificate, the Junior Preferred Certificate and the Warrant: (i) shall be in addition to any and all other remedies Fletcher or the Company may have at law or in equity, (ii) shall be cumulative, and (iii) may be pursued successively or concurrently as each of Fletcher and the Company may elect. The exercise of any remedy by Fletcher or the Company shall not be deemed an election of remedies or preclude Fletcher or the Company, respectively, from exercising any other remedies in the future. The parties acknowledge and agree that this Agreement and the Asset Purchase and Sale Agreement are wholly separate and distinct agreements that are supported by separate consideration. Notwithstanding anything to the contrary contained herein or in the Asset Purchase and Sale Agreement, the parties' obligations under this Agreement are separate and distinct from the parties' obligations under the Asset Purchase and Sale Agreement. Accordingly, breach by either party of any of the provisions of this Agreement shall not excuse performance by, or provide the basis for any remedy for, either party under the Asset Purchase and Sale Agreement. Likewise, breach by either party of any of the provisions of the Asset Purchase and Sale Agreement shall not excuse performance by, or provide the basis for any remedy for, either party under this Agreement.

(h) The Company agrees that the parties have negotiated in good faith and at arms' length concerning the transactions contemplated herein, and that Fletcher would not have agreed to the terms of this Agreement without each and every of the terms, conditions, protections and remedies provided herein and in the Series C Certificate, the Junior Preferred Certificate and the Warrant. Except as specifically provided otherwise in this Agreement, the Series C Certificate, the Junior Preferred Certificate and the Warrant, the Company's obligations to indemnify and hold Fletcher harmless in accordance with Section 16 of this Agreement are obligations of the Company that the Company promises to pay to Fletcher when and if they become due. The Company shall record any such obligations on its books and records in accordance with U.S. generally accepted accounting principles.

(i) This Agreement may be amended, modified or supplemented in any and all respects, but only by a written instrument signed by Fletcher and the Company expressly stating that such instrument is intended to amend, modify or supplement this Agreement.

(j) Each of the parties will cooperate with the others and use its best efforts to prepare all necessary documentation, to effect all necessary filings, and to obtain all necessary permits, consents, approvals and authorizations of all governmental bodies and other third-parties necessary to consummate the transactions contemplated by this Agreement.

(k) Prior to consummation of all of the transactions contemplated by this Agreement, the parties to this Agreement will provide one another with information which may be deemed by the party providing the information to be confidential. Each party agrees that it will hold confidential and protect all information provided to it by the other party to this Agreement or such party's affiliates, except that the obligations contained in this Section 19(k) shall not in any way restrict the rights of any party or person to use information that: (a) was known to such party prior to the disclosure by the other party; (b) is or becomes generally available to the public other than by breach of this Agreement; or (c) otherwise becomes lawfully available to a party to this Agreement on a non-confidential basis from a third party who is not under an obligation of confidence to the other party to this Agreement. If this Agreement is terminated, upon request each party hereto agrees to return or destroy all written confidential materials and all copies thereof, provided to it by or on behalf of the other party to this Agreement, except to the extent required by law; provided, however, that Fletcher shall have the right to retain one copy of such confidential materials for legal archival purposes. The provisions of this Section 19(k) shall survive termination, for any reason whatsoever, of this Agreement, and, without limiting the remedies of the parties hereto in the event of any breach of this Section 19(k), the parties hereto will be entitled to seek injunctive relief against the other party in the event of a breach or threatened breach of this Section 19(k).

(l) Prior to consummation of all of the transactions contemplated by this Agreement, the parties to this Agreement shall each approve the form and substance of any press release or other public disclosure materially related to this Agreement or any other transaction contemplated hereby; provided, however, that nothing in this Section 19(l) shall be deemed to prohibit any party from making any disclosure which its counsel deems necessary or advisable in order to satisfy such party's disclosure obligations imposed by law.

(m) For purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires: (i) the terms defined in this Agreement have the meanings assigned to them in this Agreement and include the plural as well as the singular, and the use of any gender herein shall be deemed to include the other gender and neuter gender of such term; (ii) accounting terms not otherwise defined herein have the meanings assigned to them in accordance with U.S. generally accepted accounting principles; (iii) references herein to "Articles", "Sections", "Subsections", "Paragraphs" and other subdivisions without reference to a document are to designated Articles, Sections, Subsections, Paragraphs and other subdivisions of this Agreement, unless the context shall otherwise require; (iv) a reference to a Subsection without further reference to a Section is a reference to such Subsection as contained in the same Section in which the reference appears, and this rule shall also apply to Paragraphs and other subdivisions; (v) the words "herein", "hereof", "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular provision; (vi) the term "include" or "including" shall mean without limitation; (vii) the table of contents to this Agreement and all section titles or captions contained in this Agreement or in any Schedule or Annex hereto or referred to herein are for convenience only and shall not be deemed a part of this Agreement and shall not affect the meaning or interpretation of this Agreement; (viii) any agreement, instrument or statute defined or referred to herein means such agreement, instrument or statute as from time to time amended, modified or supplemented, including (in the case of agreements or instruments) by waiver or consent and (in the case of statutes) by succession of comparable successor statues and references to all attachments thereto and instruments incorporated therein; and (ix) references to a Person are also to its permitted successors and assigns and, in the case of an individual, to his or her heirs and estate, as applicable.

(n) If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of law or public policy all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect. If the final judgment of a court of competent jurisdiction or other authority declares that any term or provision hereof is invalid, void or unenforceable, the parties agree that the court making such determination shall have the power to reduce the scope, duration, area or applicability of the term or provision, to delete specific words or phrases, or to replace any invalid, void or unenforceable term or provision with a term or provision that is valid and enforceable and that comes closest to expressing the intention of the invalid or unenforceable term or provision.

(o) Time shall be of the essence in this Agreement.

(p) All dollar ($) amounts set forth herein and in the Warrant refer to United States dollars. All payments hereunder and thereunder will be made in lawful currency of the United States of America.

(q) Notwithstanding anything herein to the contrary, if the Company at any time subdivides (by any stock split, stock dividend, recapitalization, reorganization, reclassification or otherwise) the shares of Common Stock or Common Stock Equivalent Junior Preferred Stock into a greater number of shares, then, after the date of record for effecting each such subdivision, all measurements and references herein related to share prices for such securities will be proportionately decreased and all references to share numbers for such securities herein will be proportionately increased.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Agreement, all as of the date first set forth above.

UNITED COMMUNITY BANKS, INC.

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

FLETCHER INTERNATIONAL, LTD.,
by its duly authorized investment advisor,
FLETCHER ASSET MANAGEMENT, INC.

By: /s/ Moez M. Kaba
Name: Moez M. Kaba
Title: Authorized Signatory

By: /s/ Denis J. Kiely
Name: Denis J. Kiely
Title: Director

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Exhibit 1.3

EXECUTION COPY

WARRANTS TO PURCHASE
SHARES OF COMMON STOCK
OF UNITED COMMUNITY BANKS, INC.

United Community Banks, Inc., a Georgia corporation (together with its successors, the "Company"), for value received, hereby certifies that Fletcher International, Ltd., a company domiciled in Bermuda (together with its successors, "Fletcher" and Fletcher or any Person to whom Fletcher sells, exchanges, transfers, assigns, gives, pledges, encumbers, hypothecates, alienates or distributes, whether directly or indirectly, this Certificate or any right or interest herein or with respect hereto, the "Holder"), is entitled to purchase from the Company up to the Warrant Amount (as defined below) of duly authorized, validly issued, fully paid and nonassessable shares of the Company's Common Stock Equivalent Junior Preferred Stock, par value $1.00 per share, (the "Common Stock Equivalent Junior Preferred Stock"), at the then-prevailing Warrant Price (as defined below) at any time or from time to time during the Warrant Term (as defined below), all subject to the terms, conditions and adjustments set forth below in this warrant certificate (this "Certificate") and in the Securities Purchase Agreement, dated as of April 1, 2010, between the Company and Fletcher (as it may be amended from time to time, the "Agreement"). All capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Agreement.

1. Warrants.

The warrants represented hereby (the "Warrants") have been issued pursuant to the Agreement, and are subject to the terms and conditions thereof. Unless otherwise defined herein, capitalized terms used herein shall have the meanings set forth in the Agreement. A copy of the Agreement may be obtained at no cost by the Holder upon written request to the Secretary of the Company at the principal executive offices of the Company.

1.1 General; Warrant Price; Warrant Term.

(a) The Warrants entitle the Holder to purchase newly-issued shares of Common Stock Equivalent Junior Preferred Stock in accordance with Section 1.5 hereof and Section 6 of the Agreement. The warrant amount shall (i) equal Fifteen Million Dollars ($15,000,000) on the date hereof, (ii) be increased by $0.15 for each $1.00 of assets purchased pursuant to the Asset Purchase and Sale Agreement (as defined in the Agreement) up to a total increase of Fifteen Million Dollars ($15,000,000) and (iii) be increased on a dollar for dollar basis by the aggregate dollar amount of the Series C convertible preferred stock, par value $1.00 per share, of the Company (the "Preferred Stock") purchased under the Agreement in excess of Thirty Million Dollars ($30,000,000). The first Thirty Million Dollars ($30,000,000) of the warrant amount shall be referred to herein as the "Initial Warrant Amount". The warrant amount in excess of the Initial Warrant Amount shall be referred to herein as the "Additional Warrant Amount". The Additional Warrant Amount, together with the Initial Warrant Amount, shall be referred to herein as the "Warrant Amount". The Warrant Amount shall be reduced by the aggregate Warrant Price deemed paid at each Warrant Closing (as defined below). The "Warrant Price" means a price per one-hundredth (1/100th) of a share of Common Stock Equivalent Junior Preferred Stock as of each Warrant Closing Date equal to (i) Four Dollars and Twenty-Five Cents ($4.25) with respect to the Initial Warrant Amount and (ii) Six Dollars and Two Cents ($6.02) with respect to the Additional Warrant Amount, in each case subject to adjustment as set forth herein and in the Agreement.

(b) The Warrants may be exercised (in whole or in part) at any time or from time to time during the Warrant Term. The "Warrant Term" shall mean the period beginning on the date hereof and ending at 11:59 p.m. New York City time on the ninth (9th) anniversary of the Stockholder Consent Date (as defined in the Agreement).

1.2 Manner of Exercise.

(a) The Warrants may be exercised by the Holder, in whole or in part, from time to time, on any day during the Warrant Term, by delivery of a notice in substantially the form attached to this Certificate (or a reasonable facsimile thereof) duly executed by the Holder (a "Warrant Exercise Notice").

(b) The Warrant Exercise Notice shall designate the aggregate Warrant Amount to be exercised, the Warrant Price and the number of shares of Common Stock Equivalent Junior Preferred Stock to be received upon such exercise. The closing of each exercise (each a "Warrant Closing") shall take place (i) on the third (3rd) Business Day after and excluding the date of the Warrant Exercise Notice or (ii) on any other date upon which the exercising Holder and the Company mutually agree (the "Warrant Closing Date").

1.3 Conditions to Closing.

(a) Conditions Precedent to Holder's Obligation to Close. It shall be a condition to each Holder's obligation to close on each Warrant Closing Date that each of the conditions set forth in Section 12 of the Agreement is satisfied, unless waived by such Holder (which waiver may be made or not made in Holder's sole discretion, and any waiver shall apply solely to the Warrant Closing or Warrant Closings specified by such Holder and shall not obligate such Holder to make or not make any subsequent waiver).

(b) Conditions Precedent to Company's Obligation to Close. The obligations of the Company hereunder are subject to the performance by the Holder of its obligations hereunder and to the satisfaction (unless expressly waived in writing by the Company) of the additional conditions set forth in Section 13 of the Agreement.

(c) Agreement to Cause Conditions to be Satisfied. The Company with respect to Section 1.3(a) hereof and the Holder with respect to Section 1.3(b) hereof shall each use commercially reasonable efforts to cause each of the foregoing conditions to be satisfied at the earliest possible date.

(d) Withdrawal of Notice. If the conditions set forth in Section 1.3(a) hereof are not satisfied or waived prior to the second (2nd) Business Day following and excluding the date of the Warrant Exercise Notice (except for those conditions which by their terms can be satisfied only on the Warrant Closing Date) or if the Company fails to perform its obligations on any Warrant Closing Date (including but not limited to delivery of all shares of Common Stock Equivalent Junior Preferred Stock issuable on such date) for any reason other than the Holder's failure to satisfy the conditions required by Section 1.3(b) hereof, then in addition to all remedies available to the Holder at law or in equity, such Holder may, at its sole option, and at any time, withdraw the Warrant Exercise Notice by written notice to the Company regardless of whether such condition has been satisfied or waived as of the withdrawal date and, after such withdrawal, shall have no further obligations with respect to such Warrant Exercise Notice and may submit a Warrant Exercise Notice on any future date with respect to such Warrants and the Warrant Price for the amount of such subsequent Warrant Exercise Notice equal to or less than the previously withdrawn Warrant Exercise Notice shall be the lesser of (i) the Warrant Price in the withdrawn Warrant Exercise Notice and (ii) the Warrant Price in effect as of the subsequent Warrant Exercise Notice Date.

1.4 When Exercise Effective.

Each exercise of any Warrant shall be deemed to have been effected on the Warrant Closing Date upon the deemed receipt of the relevant Warrant Price and the Person (as defined in the Agreement) or Persons in whose name or names any certificate or certificates representing the Common Stock Equivalent Junior Preferred Stock shall be issuable upon such exercise as provided in Section 1.5 hereof shall be deemed to have become the holder(s) of record thereof.

1.5 Delivery of Common Stock and Payment.

(a) Subject to Section 1.3 hereof and Section 6 of the Agreement, on a Warrant Closing Date, the Company shall deliver an amount of duly authorized, validly issued, fully paid and non-assessable shares of Common Stock Equivalent Junior Preferred Stock (the "Settlement Stock") equal to "X" where:

$$X = [(N \times D) - (N \times P)] / P$$

N = the number of one-hundredths (1/100ths) of a share of Common Stock Equivalent Junior Preferred Stock equal to the Warrant Amount to be exercised pursuant to such Warrant Exercise Notice divided by the Warrant Price with respect to such Warrant Exercise Notice

D = Daily Market Price (as defined in the Agreement) on the third (3rd) Business Day before, and excluding, the date of the Warrant Exercise Notice

P = Warrant Price with respect to such Warrant Exercise Notice

(b) The Company shall issue and deliver the Settlement Stock pursuant to Section 1.7 hereof on the relevant Warrant Closing Date. Upon receipt of the Settlement Stock on the Warrant Closing Date, (i) that amount of Warrants as specified for exercise in the Warrant Exercise Notice shall be deemed exercised and (ii) that amount of cash that would have been paid by the Holder on the relevant Warrant Closing Date if the Warrant Price specified in the Warrant Exercise Notice were paid in cash shall be deemed paid by the Holder and received by the Company.

(c) In determining whether the limitations described in Section 6 of the Agreement have been reached, computation shall be made based on the number of shares of Settlement Stock actually issued on a Warrant Closing Date.

1.6 Adjustment to Warrant Price. Notwithstanding anything herein to the contrary, if the Company at any time subdivides (by any stock split, stock dividend, recapitalization, reorganization, reclassification or otherwise) the shares of common stock, par value $1.00 per share, of the Company ("Common Stock") and/or Common Stock Equivalent Junior Preferred Stock into a greater number of shares, then, after the date of record for effecting each such subdivision, all measurements and references herein related to share prices (including the Warrant Price) for such securities will be proportionately decreased and all references to share numbers for such securities herein will be proportionately increased.

1.7 Delivery of Common Stock and Dividend Payment.

(a) On the Warrant Closing Date, the Company at its expense (including payment by it of any applicable issue taxes) shall cause to be issued in the name of and delivered to the exercising Holder or as such Holder may direct, at the election of such Holder:

(i) via the Depository Trust Company's Deposit and Withdrawal at Custodian (or DWAC) system the number of duly authorized, validly issued, fully paid and non-assessable shares of Common Stock Equivalent Junior Preferred Stock to which such Holder shall be entitled upon such exercise plus, in lieu of any fractional share, other than fractional shares in increments of one hundredth ($1/100^{th}$) of a share, of Common Stock Equivalent Junior Preferred Stock to which such Holder would otherwise be entitled, cash in an amount equal to the same fraction of the Daily Market Price on the date of the Warrant Exercise Notice, and a certificate from the Company stating the new Warrant Amount reflecting a reduction in each of the dollar amounts in the definition of Warrant Amount, on a dollar-for-dollar basis, for each dollar deemed paid; and

(ii) dividends or other distributions declared on the Common Stock and Common Stock Equivalent Junior Preferred Stock in an amount equal to the product of (x) the aggregate amount of all per-share dividends or distributions other than the Ordinary Cash Dividends paid on the Common Stock and Common Stock Equivalent Junior Preferred Stock multiplied by (y) the gross number of one-hundredths (1/100th) of a share of Common Stock Junior Equivalent Junior Preferred Stock that would have been issuable on the relevant Warrant Closing Date if payment of the Warrant Price specified in the Warrant Exercise Notice were paid in cash (the "Dividend Payment"). To the extent that the Dividend Payment consists of cash, the Company may pay such amount (a) by wire transfer of immediately available funds to such Holder or (b) if the Daily Market Price on the date the relevant Investment Notice is delivered is greater than the Warrant Price, by delivering a number of shares of Common Stock Equivalent Junior Preferred Stock equal to the cash portion of the Dividend Payment divided by the Warrant Price. To the extent that the Dividend Payment consists of securities or other non-cash property, the Company shall deliver such securities or other non-cash property to such Holder; provided that if such securities or other non-cash property would have a reduced value if delivery is so delayed (for example only and not by way of limitation, a short-term right to purchase securities), then proper provision shall be made to deliver to Holder the sum of (i) the fair value of such securities or other non-cash property measured as of the distribution date and (ii) the appreciation, if any, in value of such securities through the date of delivery. For example only and not by way of limitation, if the Company distributes a short-term right to purchase securities to other equity holders, it shall deliver to Holder the value Holder would have received had Holder exercised such right plus the appreciation, if any, had Holder held the purchased securities through the date on which such fair value is delivered to Holder. In the event that Holder and the Company mutually agree that it would be impractical for the Company to distribute identical securities or other non-cash property to Holder, then Holder and the Company shall work together in good faith to determine a fair and equivalently valued substitute therefor. "Ordinary Cash Dividend" means all quarterly cash dividends out of capital surplus or restated earnings legally available therefore (determined in accordance with generally accepted accounting principles, consistently applied), in an amount and frequency consistent with past practice.

1.8 Extension of Warrant Term.

The Warrant Term shall be extended by one (1) Business Day for each Business Day: (i) that the Registration Statement (as defined in the Agreement) is not effective and available for the issuance of any Preferred Stock and Warrants for a period of more than ninety (90) days in the aggregate, whether continuous or non-continuous; or (ii) at any time after the One Year Anniversary Date (as defined in the Agreement) but before the date this is sixty (60) days before the expiration of the Investment Period (as defined in the Agreement), occurring during the period (x) commencing on the earlier of the day on which the Company restates or announces its intention to restate any portion of the Company Financial Statements, and (y) ending on the date on which the Company files quarterly or annual financial statements that constitute a Restatement (as defined in the Agreement) on a Form 10-K, Form 10-Q, Form 8-K or any other filing with the SEC (and if the Company makes multiple filings of a Restatement with the SEC, the last of such dates) (the "Restatement Filing Date"). If (i) the Company restates or announces its intention to restate any portion of the Company Financial Statements (as defined in the Agreement) less than sixty (60) days before the expiration of the Warrant Term, (ii) the Company has restated or announced its intention to restate any portion of the Company Financial Statements and the Restatement Filing Date is not at least sixty (60) days before the expiration of the Warrant Term, or (iii) there is any Registration Failure (as defined in the Agreement) during the sixty (60) days immediately preceding the expiration of the Warrant Term, the Warrant Term shall be extended to a date that is at least sixty (60) days after the later of the Restatement Filing Date or the remediation of the failure described in clause (iii) of this Section 1.8.

2. Reservation of Shares.

For so long as the Warrant Amount represented hereby has not been exercised in full, the Company shall at all times prior to the end of the Warrant Term reserve and keep available, free from pre-emptive rights, out of its authorized but unissued capital stock, the number of shares Common Stock Equivalent Junior Preferred Stock deliverable upon exercise of this Certificate and, after the Company has obtained the approval of the Company stockholders to increase the authorized number of shares of Common Stock, the number of shares Common Stock deliverable upon conversion of such shares of Common Stock Equivalent Junior Preferred Stock. In the event the number of shares of Common Stock, Common Stock Equivalent Junior Preferred Stock or other securities issued and issuable under this Certificate, the Agreement, the Certificate of Rights and Preferences of the Series C Convertible Preferred Stock and Certificate of Designation of Common Stock Equivalent Junior Preferred Stock of the Company exceeds the authorized number of shares of Common Stock, Common Stock Equivalent Junior Preferred Stock or other securities, the Company shall promptly take all actions necessary to increase the authorized number of shares of Common Stock, Common Stock Equivalent Junior Preferred Stock or other securities.

3. Report as to Adjustments.

In each case of any adjustment or readjustment of the Warrant Amount, the Warrant Term, the Warrant Price or any other adjustment or readjustment pursuant to the terms of the Agreement or this Certificate, or upon the written request at any time of any Holder, the Company at its expense will promptly compute such adjustment or readjustment (the "Company Calculation") in accordance with the terms of this Certificate and the Agreement and cause the Company's Chief Financial Officer to verify such computation and prepare a report setting forth such adjustment or readjustment and showing in reasonable detail the method of calculation thereof and the facts upon which such adjustment or readjustment is based, including a statement of (i) the Warrant Amount, (ii) the Warrant Term and (iii) the Warrant Price in effect immediately prior to such adjustment or readjustment (as adjusted and readjusted, as applicable). The Company will forthwith deliver a copy of each such report to each Holder and will also keep copies of all such reports at its principal office and will cause the same to be available for inspection at such office during normal business hours by any Holder. The Holder may dispute the Company Calculation by providing its computation of such adjustment or readjustment (the "Holder Calculation") and requesting in writing that the Company's independent certified public accountants verify the Company Calculation. The Holder shall be responsible for the costs and expenses of such accountants if the difference between the computation of the adjustment or readjustment by such accountants (the "Accountant Calculation") and the Holder Calculation is greater than the difference between the Accountant Calculation and the Company Calculation, and otherwise the Company shall bear such costs and expenses.

4. Taxes.

The Company shall pay all documentary stamp taxes (if any) attributable to the issuance of Common Stock Equivalent Junior Preferred Stock upon each exercise of the Warrants by the Holder; provided, however, that the Company shall not be required to pay any tax or taxes which may be payable in respect of any transfer involved in the registration of any certificates for Common Stock Equivalent Junior Preferred Stock in a name other than that of a Holder upon each exercise of Warrants, and the Company shall not be required to issue or deliver a Certificate evidencing Warrants or certificates for Common Stock Equivalent Junior Preferred Stock unless or until the Person or Persons requesting the issuance thereof shall have paid to the Company the amount of such tax or shall have established to the reasonable satisfaction of the Company that such tax has been paid.

5. Change of Control.

5.1 Change of Control Notice.

The Company shall deliver to the Holder written notice (the "Change of Control Notice") of any proposed Change of Control (which notice shall specify the expected effective date of such Change of Control) promptly following public disclosure of such proposed Change of Control and in any event not later than fifteen (15) Business Days prior to the expected effective date of the proposed Change of Control. The Company shall not enter into an agreement with any Acquiring Person that may result in a Change of Control unless such agreement expressly requires the Acquiring Person to comply with the provisions of this Warrant. Upon the mutual written agreement of the Holder and the Company, on or before the consummation of such Change of Control, the Company shall pay to the Holder an amount of cash equal to the fair market value of the Warrant immediately prior to the Change of Control, to be determined by a qualified valuation firm selected by the Holder and reasonably acceptable to the Company, by such method as the Holder and the Company may reasonably agree. For the avoidance of doubt, in the event that the Holder and the Company agree to have the Company pay the fair market value of the Warrant as determined above, the Warrant will be redeemed upon the Company making such payment and no additional payment from the Company or the Holder shall be required in connection with such redemption. In the event that the Holder and the Company do not agree to have the Company pay the fair market value of the Warrant as determined above, the Holder thereof shall, following the occurrence of a Change of Control, automatically have equivalent rights under this Certificate with respect to the Acquiring Person from and after the effective date of the Change of Control, regardless of whether the Acquiring Person expressly assumes the Company's obligations and (i) all references to the Company in this Certificate shall be references to the Acquiring Person, (ii) all references to Common Stock and Common Stock Equivalent Junior Preferred Stock in this Certificate shall be references to the securities for which the Common Stock and Common Stock Equivalent Junior Preferred Stock are exchanged in the Change of Control (or if none, the most widely-held class of voting securities of the Acquiring Person), and (iii) if the Acquiring Person is an entity other than the Company, all references to the Warrant Price in this Certificate shall be references to the Stock Adjustment Measuring Price (as defined below).

5.2 Contingent Warrant Exercise.

Between the date a proposed Change of Control is publicly disclosed or Change of Control Notice is delivered (or an event shall have occurred that would, with or without the passage of time, require the delivery of a Change of Control Notice) and the effective date of the Change of Control, each Holder at its sole option shall continue to have the right to submit to the Company a Warrant Exercise Notice in accordance with the terms and conditions hereof. In addition, each Holder at its sole option may elect to submit to the Company a special notice (a "Contingent Warrant Exercise Notice") to exercise all or part of its unexercised Warrants (including any Warrants issued in connection with a Contingent Investment Notice (as defined in the Agreement) under the Agreement) in connection with such Change of Control; in which case, notwithstanding the provisions of Section 1.4 hereof:

(a) the effectiveness of such contingent exercise shall be conditional upon the effectiveness of the Change of Control;

(b) such Holder shall have the right to deliver a notice to withdraw such Contingent Warrant Exercise Notice until the effective date of such Change of Control;

(c) all references to Nasdaq in this Certificate shall be references to the principal U.S. trading market (or if the securities of the Acquiring Person are traded on a non-U.S. trading market, at the Holder's election, the principal U.S. or foreign trading market) for the securities for which the Common Stock and Common Stock Equivalent Junior Preferred Stock are exchanged in the Change of Control (or if none, the most widely held class of voting securities of the Acquiring Person), and

(d) if such Contingent Warrant Exercise Notice shall not have been withdrawn, then on the effective date of such Change of Control, the Holder of such Warrants shall receive the same consideration, in the form of cash, securities or other assets (the "Acquisition Consideration") per share of Common Stock Equivalent Junior Preferred Stock issuable to any other holder of shares of Common Stock in connection with such Change of Control based upon the number of shares of Common Stock Equivalent Junior Preferred Stock into which such Holder's Warrants would be exercisable if such Holder had exercised such Warrants on the Business Day immediately preceding the date on which such Change of Control occurs. Upon the effective date of such Change of Control, such Holder's Warrants tendered for exercise pursuant to a Warrant Exercise Notice or Contingent Warrant Exercise Notice shall be fully exercised and shall no longer permit such Holder to exercise such Warrants into Common Stock Equivalent Junior Preferred Stock.

5.3 Definitions.

(a) "Acquiring Person" has the meaning set forth in the Agreement.

(b) "Change of Control" has the meaning set forth in the Agreement.

(c) "Stock Adjustment Measuring Price" means each of (i) the Warrant Price applicable to the Initial Warrant Amount and (ii) the Warrant Price applicable to the Additional Warrant Amount shall be adjusted by multiplying such prices in effect immediately preceding and excluding the date on which the Change of Control is consummated by a fraction,

(i) the numerator of which is the Daily Market Price of the securities for which Common Stock is exchanged in the Change of Control (or if none, the most widely-held class of voting securities of the Acquiring Person) determined as of the Business Day immediately preceding and excluding the date on which the Change of Control is consummated; and

(ii) the denominator of which is the Daily Market Price of the Common Stock of the Company determined as of the Business Day immediately preceding and excluding the date on which the Change of Control is consummated.

6. Non-Circumvention.

The Company hereby covenants and agrees that the Company will not, by amendment of its articles of incorporation, bylaws or through any reorganization, transfer of assets, consolidation, merger, scheme of arrangement, dissolution, issue or sale of securities, or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, and will at all times in good faith carry out all the provisions of this Warrant and take all action as may be required to protect the rights of the Holder. Without limiting the generality of the foregoing, the Company (i) shall not increase the par value of any shares of Common Stock Equivalent Junior Preferred Stock receivable upon the exercise of this Warrant above the Warrant Price then in effect, (ii) shall take all such actions as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and nonassessable shares of Common Stock Equivalent Junior Preferred Stock upon the exercise of this Warrant, and (iii) shall, so long as the Warrants represented by this Certificate are outstanding, take all action necessary to reserve and keep available out of its authorized and unissued shares of Common Stock Equivalent Junior Preferred Stock, solely for the purpose of effecting the exercise of the Warrants represented by this Certificate, one hundred percent (100%) of the number of shares of Common Stock Equivalent Junior Preferred Stock issuable upon exercise of the Warrants represented by this Certificate then outstanding (without regard to any limitations on exercise).

7. Lost or Stolen Certificate.

In case this Certificate shall be mutilated, lost, stolen or destroyed, the Company may in its discretion issue in exchange and substitution for and upon cancellation of the mutilated Certificate, or in lieu of and substitution for the Certificate lost, stolen or destroyed, a new Certificate of like tenor, but only upon receipt of evidence reasonably satisfactory to the Company of such loss, theft or destruction of such Certificate. Applicants for a substitute Certificate shall also comply with such other reasonable regulations and pay such other reasonable charges as the Company may prescribe.

8. Transfer Agent.

The Company (and any successor) shall serve as agent for the Warrant under this Warrant and shall at all times maintain a register of the holders of the Warrant.

9. Notices.

(a) All notices and other communications under this Certificate shall be in writing and shall be delivered by either a nationally recognized overnight courier, postage prepaid, or transmitted by facsimile, in each case to the addresses as provided below:

(i) If to the Company:

United Community Banks, Inc.
125 Highway 515 East
Blairsville, Georgia 30512
Attention: Rex S. Schuette
Telephone: (706) 745-2265
Facsimile: (706) 745-9046

(ii) If to a Holder, at the address of such Holder as listed in the Stock Register, or to such other address as the Holder shall have designated by notice similarly given to the Transfer Agent.

(b) Any such notice or communication shall be deemed received (i) when made, if by hand delivery, and upon confirmation of receipt, if made by facsimile and in each case if such notice is received on or before 11:59 p.m. New York City time, otherwise, such notice shall be deemed to be received the following Business Day, (ii) one (1) Business Day after being deposited with a next-day courier, return receipt requested, postage prepaid or (iii) three (3) Business Days after being sent by certified or registered mail, return receipt requested, postage prepaid, in each case addressed as above (or to such other addresses as the Company or a Holder may designate in writing from time to time).

(c) If the Company does not agree and acknowledge the delivery of any Warrant Exercise Notice under this Certificate, in each case by 11:59 p.m., New York City time, on the Business Day following the date of delivery of such notice, such non-response by the Company shall be deemed to be agreement and acknowledgment by the Company with the terms of such notice.

10. Construction.

For purposes of this Certificate, except as otherwise expressly provided or unless the context otherwise requires: (a) the terms defined in this Certificate have the meanings assigned to them in this Certificate and include the plural as well as the singular, and the use of any gender herein shall be deemed to include the other gender and neuter gender of such term; (b) accounting terms not otherwise defined herein have the meanings assigned to them in accordance with U.S. generally accepted accounting principles; (c) references herein to "Articles", "Sections", "Subsections", "Paragraphs" and other subdivisions without reference to a document are to designated Articles, Sections, Subsections, Paragraphs and other subdivisions of this Certificate, unless the context shall otherwise require; (d) a reference to a Subsection without further reference to a Section is a reference to such Subsection as contained in the same Section in which the reference appears, and this rule shall also apply to Paragraphs and other subdivisions; (e) the words "herein", "hereunder" and other words of similar import refer to this Certificate as a whole and not to any particular provision; (f) the term "include" or "including" shall mean without limitation; (g) the table of contents to this Certificate and all section titles or captions contained in this Certificate or in any Exhibit or Schedule hereto or referred to herein are for convenience only and shall not be deemed a part of this Certificate and shall not affect the meaning or interpretation of this Certificate; (h) any agreement, instrument or statute defined or referred to herein means such agreement, instrument or statute as amended, modified or supplemented from time to time, including (in the case of agreements or instruments) by waiver or consent and (in the case of statutes) by succession of comparable successor statutes and references to all attachments thereto and instruments incorporated therein; and (i) references to a Person are also to its permitted successors and assigns and, in the case of an individual, to his or her heirs and estate, as applicable.

11. Severability of Provisions.

If any right, preference, or limitation of the Warrants set forth in this Certificate (as such Certificate may be amended from time to time) is invalid, unlawful, or incapable of being enforced by reason of any rule of law or public policy, all other rights, preferences, and limitations set forth in this Certificate (as so amended) which can be given effect without the invalid, unlawful or unenforceable right, preference, or limitation will, nevertheless, remain in full force and effect, and no right, preference, or limitation set forth in this Certificate shall be deemed dependent upon any other such right, preference, or limitation unless so expressed in this Certificate.

12. Specific Performance.

The Holder and the Company stipulate that the remedies at law of the parties hereto in the event of any default or threatened default by either party in the performance of or compliance with any of the terms hereof are not and will not be adequate and that, to the fullest extent permitted by law, such terms may be specifically enforced by a decree for the specific performance of any agreement contained herein or by an injunction against a violation of any of the terms hereof or otherwise.

13. Nonperformance.

If the Company, at any time, shall fail to deliver the shares of Common Stock Equivalent Junior Preferred Stock required to be delivered to the Holder pursuant hereto for any reason other than the failure of any condition precedent to the Company's obligations hereunder or the failure by the Holder to comply with its obligations hereunder, then the Company shall (without limitation to the Holder's other remedies at law or in equity): (i) indemnify and hold the Holder harmless against any loss, claim or damage arising from or as a result of such failure by the Company (regardless of whether any of the foregoing results from a third-party claim or otherwise) and (ii) reimburse the Holder for all of its reasonable out-of-pocket expenses (which includes fees and expenses of its counsel) incurred by the Holder in connection herewith and the transactions contemplated herein (regardless of whether any of the foregoing results from a third-party claim or otherwise).

14. Assignment.

The Holder may, in its sole discretion, freely assign, pledge, hypothecate or transfer all Warrants.

This Certificate shall not be valid unless signed by the Company.

[Remainder of Page Left Blank Intentionally]

IN WITNESS WHEREOF, United Community Banks, Inc. has caused this Warrant to be signed by its duly authorized officer.

Dated:

UNITED COMMUNITY BANKS, INC.

By: _____

Name:
Title:

ATTEST:

Secretary

Exhibit 4.1

CERTIFICATE OF DESIGNATION
OF
COMMON STOCK EQUIVALENT JUNIOR PREFERRED STOCK
OF
UNITED COMMUNITY BANKS, INC.

Pursuant to Section 14-2-602 of the
Georgia Business Corporation Code

United Community Banks, Inc., a corporation organized under the laws of the State of Georgia (the "Corporation"), does hereby certify that:

1. At a meeting duly convened and held on March 26, 2010, the Board of Directors of the Corporation (the "Board") duly adopted the following resolutions authorizing the issuance and sale by the Corporation of a series of the Corporation's preferred stock, $1.00 par value per share, to be known as the Common Stock Equivalent Junior Preferred Stock:

> "**RESOLVED**, that the powers, preferences, participation and other special rights, qualifications, limitations, restrictions and other designations of the Corporation's Common Stock Equivalent Junior Preferred Stock, including those established by the Board and the number of authorized shares thereof, are authorized and approved as set forth in the Certificate of Designation attached hereto as Exhibit A, which is incorporated herein and made a part of these resolutions by reference."

2. Attached hereto, and thereby made a part hereof, is such Exhibit A from the Board's resolution designating the Common Stock Equivalent Junior Preferred Stock.

IN WITNESS WHEREOF, this Certificate of Designation is executed on behalf of the Corporation by its duly authorized officer this 31st day of March, 2010.

UNITED COMMUNITY BANKS, INC.

By: /s/ Rex S. Schuette
Name: Rex S. Schuette
Title: Executive Vice President & CFO

Exhibit A

CERTIFICATE OF DESIGNATION
OF
COMMON STOCK EQUIVALENT
JUNIOR PREFERRED STOCK
OF
UNITED COMMUNITY BANKS, INC.

Pursuant to the authority vested in the Board of Directors (the "Board") by the Restated Articles of Incorporation of United Community Banks, Inc. (the "Corporation"), as amended (the "Articles of Incorporation"), the Board does hereby designate, create, authorize and provide for the issue of a series of preferred stock, $1.00 par value per share, which shall be designated as "Common Stock Equivalent Junior Preferred Stock" (the "Junior Preferred Stock"), consisting of 1,000,000 shares having the following powers, preferences, participation and other special rights, qualifications, limitations, restrictions and other designations:

Section I. Definitions

"Acquiring Person" has the meaning specified in Section VI(c).

"Applicable Conversion Rate" means the Initial Conversion Rate, subject to adjustment pursuant to Section II(b), as applicable, for any such event occurring subsequent to the initial determination of such rate.

"Board" has the meaning specified in the preamble.

"Articles of Incorporation" has the meaning specified in the preamble.

"Capacity Amendment" means an amendment to the Articles of Incorporation increasing the number of shares of Common Stock that the Corporation is authorized to issue to more than 100,000,000.

"Change of Control" has the meaning specified in Section VI(b).

"Common Dividend Equivalent Amount" has the meaning specified in Section III(a).

"Common Stock" means the Common Stock, $1.00 par value per share, of the Corporation.

"Conversion Date" means, with respect to a share of Junior Preferred Stock, the date on which such share is converted into Common Stock.

"Convertible Holder" means a Holder, other than the initial Holder or an affiliate thereof, who acquires one or more shares of Junior Preferred Stock following a Permitted Transfer.

"Conversion Notice" shall mean the notice given by a Convertible Holder to the Corporation, specifying the number of shares of Junior Preferred Stock to be converted into Common Stock and certifying that such Person is a Convertible Holder.

"Corporation" has the meaning specified in the preamble.

"Exchange Property" has the meaning specified in Section VI(a).

"Holder" means a Person in whose name any shares of Junior Preferred Stock are registered, which may be treated by the Corporation as the absolute owner of such shares for all purposes.

"Initial Conversion Rate" means, for each share of Junior Preferred Stock, one hundred (100) shares of Common Stock.

"Issue Date" means the date that the Junior Preferred Stock is first issued.

"Junior Preferred Stock" has the meaning specified in the preamble.

"Junior Stock" shall mean any class of capital stock or series of Preferred Stock of the Corporation established by the Board after the Issue Date, the terms of which do not expressly provide that such class or series ranks senior to or on parity with the Junior Preferred Stock as to dividend rights or rights upon the liquidation, winding-up or dissolution of the Corporation.

"Liquidation Event" has the meaning specified in Section V(a).

"Parity Stock" shall mean any class of capital stock or series of Preferred Stock established by the Board after the Issue Date, the terms of which expressly provide that such class or series will rank on parity with the Junior Preferred Stock as to dividend rights or rights upon the liquidation, winding-up or dissolution of the Corporation.

"Permitted Transfer" means a sale or other transfer (i) to an affiliate of the initial Holder or to the Corporation; (ii) in a widespread public distribution; (iii) in transfer in which no transferee (or group of associated transferees) would receive 2 percent or more of any class of voting securities of the Corporation; or (iv) to a transferee that would control more than 50 percent of the voting securities of the Corporation without any transfer from the initial Holder.

"Person" means a legal person, including any individual, corporation, estate, partnership, joint venture, association, joint-stock company, limited liability company or trust.

"Record Date" means, with respect to any dividend, distribution or other transaction or event in which the holders of the Common Stock (or other applicable security) have the right to receive any cash, securities or other property or in which the Common Stock (or other applicable security) is exchanged for or converted into any combination of cash, securities or other property, the date fixed for determination of holders of the Common Stock (or other applicable security) entitled to receive such cash, securities or other property (whether such date is fixed by the Board or a duly authorized committee of the Board or by statute, contract or otherwise).

"Senior Stock" shall mean each class of capital stock or series of Preferred Stock established by the Board after the Issue Date, the terms of which expressly provide that such class or series will rank senior to the Junior Preferred Stock as to dividend rights or rights upon the liquidation, winding-up or dissolution of the Corporation.

"Stockholder Approval" means the requisite approval by the stockholders of the Corporation of the Capacity Amendment.

"Transfer Agent" shall mean the Corporation's duly appointed transfer agent, registrar, redemption, conversion and dividend disbursing agent for the Junior Preferred Stock and transfer agent and registrar for any Common Stock issued upon conversion of the Junior Preferred Stock, or any successor duly appointed by the Corporation.

Section II. Conversion

(a) No share of Junior Preferred Stock (or fraction thereof) may be converted into Common Stock unless held by a Convertible Holder. Each share of Junior Preferred Stock (or fraction thereof) held by a Convertible Holder shall be convertible at any time following the Stockholder Approval into a number of shares of Common Stock equal to the product of (i) the fraction of a share of Junior Preferred Stock converted and (ii) the Applicable Conversion Rate in effect on the Conversion Date, plus cash in lieu of any fractional shares of Common Stock pursuant to Section II(c)(iv). For all purposes with respect to the conversion of Junior Preferred Stock, references herein to "Common Stock" shall include and mean any cash, securities or other property (including payments of cash in lieu of fractional shares of Common Stock) that may be due upon such conversion and references to "Junior Preferred Stock" shall include and mean any fractional shares thereof.

(b) Adjustments to Conversion Rate. If, at any time while Junior Preferred Stock remains outstanding, (i) the Corporation issues to holders of the Common Stock as a class shares of Common Stock or other securities of the Corporation as a dividend or distribution on the Common Stock, or (ii) the Corporation effects a share split or share combination of the Common Stock, (each, an "Adjustment Event"), then the Corporation shall adjust the Initial Conversion Rate or Applicable Conversion Rate, as applicable, or other terms of the Junior Preferred Stock in effect immediately prior to such event so that each Holder of shares of Junior Preferred Stock thereafter surrendered for conversion shall be entitled to receive the number of shares of Common Stock that such Holder would have owned or would have been entitled to receive upon or by reason of any of the events described above, had such shares of the Junior Preferred Stock been converted into shares of Common Stock immediately prior to the occurrence of such event. An adjustment made pursuant to this Section II(b) shall become effective retroactively (x) in the case of any such dividend or distribution, to the day immediately following the close of business on the Record Date for the determination of holders of Common Stock entitled to receive such dividend or distribution or (y) in the case of any such subdivision, split, combination or reclassification, to the close of business on the day upon which such corporate action becomes effective.

(c) Shares of Junior Preferred Stock shall be converted into shares of Common Stock in accordance with the following procedures:

(i) At all times after the Stockholder Approval, a Convertible Holder may exercise a conversion right by the delivery of a Conversion Notice to the office of the Transfer Agent during normal business hours and (if so required by the Corporation or the Transfer Agent) an instrument of transfer, in form satisfactory to the Corporation and to the Transfer Agent, duly executed by such Convertible Holder or his duly authorized attorney, and funds in the amount of any applicable transfer tax (unless provision satisfactory to the Corporation is otherwise made therefor), if required pursuant to Section II(c)(iii).

(ii) As promptly as practicable after the delivery of a Conversion Notice and the payment in cash of any amount required by the provisions of Sections 2(c)(i) and 2(c)(iii), the Corporation will deliver or cause to be delivered at the office of the Transfer Agent to or upon the written order of the Convertible Holder, certificates or a confirmation of book-entry transfer of shares representing the number of fully paid and non-assessable shares of Common Stock issuable upon such conversion, issued in such name or names as the Convertible Holder may direct. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of the delivery of the Conversion Notice, and all rights of the Convertible Holder shall cease with respect to such shares of Junior Preferred Stock at such time and the Person or Persons in whose name or names the shares of Common Stock issued upon conversion are to be issued shall be treated for all purposes as having become the record holder or holders of such shares of Common Stock at such time; provided, however, that any delivery of a Conversion Notice and payment on any date when the stock transfer books of the Corporation shall be closed shall constitute the Person or Persons in whose name or names the shares of Common Stock are to be issued as the record holder or holders thereof for all purposes immediately prior to the close of business on the next succeeding day on which such stock transfer books are open.

(iii) The issuance of shares of Common Stock upon conversion of shares of Junior Preferred Stock shall be made without charge for any stamp or other similar tax in respect of such issuance. However, if any such shares to be issued upon conversion are to be issued in a name other than that of the Holder of the share or shares of Junior Preferred Stock converted, the person or persons requesting the issuance thereof shall pay to the Corporation the amount of any tax which may be payable in respect of any transfer involved in such issuance, or shall establish to the satisfaction of the Corporation that such tax has been paid.

(iv) No fractional shares of Common Stock or scrip shall be issued upon conversion of shares of Junior Preferred Stock. If more than one share of Junior Preferred Stock shall be surrendered for conversion at any one time by the same Holder, the number of full shares of Common Stock issuable upon conversion thereof shall be computed on the basis of the aggregate number of shares of Junior Preferred Stock so surrendered. Instead of any fractional shares of Common Stock that would otherwise be issuable upon conversion of any shares of Junior Preferred Stock, the Corporation shall pay to the Holder an amount in cash in respect of such fractional interest equal to the value of such fractional interest based on the closing sales price of the Common Stock on such national securities exchange or automated quotation system on which the Common Stock is then listed or authorized for quotation or, if the Common Stock is not so listed or authorized for quotation, an amount determined in good faith by the Board to be the fair value of the Common Stock at the close of business on the business day immediately preceding the applicable Conversion Date.

(v) At all times after the Stockholder Approval, the Corporation shall be required to reserve or keep available, out of its authorized but unissued Common Stock, or have sufficient authorized Common Stock to cover, the shares of Common Stock deliverable upon the conversion of the Junior Preferred Stock The Corporation shall take all action necessary so that all shares of Common Stock that may be issued upon conversion of shares of Junior Preferred Stock will upon issue be validly issued, fully paid and nonassessable, and free from all liens and charges in respect of the issuance or delivery thereof.

(d) From and after a Conversion Date, dividends hereunder shall no longer accrue with respect to shares of Junior Preferred Stock converted on such date, and such converted shares of Junior Preferred Stock shall cease to be outstanding, subject to the rights of Holders of such Junior Preferred Stock to receive any previously accrued and unpaid dividends on such shares and any other payments to which they are otherwise entitled pursuant to Section III or Section VI.

Section III. Dividend Rights

(a) From and after the Issue Date, (i) Holders shall be entitled to receive, when, as and if declared by the Board or any duly authorized committee of the Board, but only out of assets legally available therefor, all dividends or other distributions in the form of cash or assets (other than shares of Common Stock) declared and paid or made in respect of the shares of Common Stock, at the same time and on the same terms as holders of Common Stock, in an amount per one-hundredth of a share of Junior Preferred Stock equal to the product of (A) the Applicable Conversion Rate then in effect and (B) any per share dividend or other distribution in the form of cash or assets (other than shares of Common Stock) declared and paid or made in respect of each share of Common Stock (the "Common Equivalent Dividend Amount"), and (ii) no cash dividend or other cash distribution shall be declared and paid or made in respect of Common Stock unless the Board or any duly authorized committee of the Board declares and pays to Holders of the Junior Preferred Stock, at the same time and on the same terms as holders of Common Stock, the Common Equivalent Dividend Amount per one-hundredth of a share of Junior Preferred Stock. Notwithstanding any provision in this Section III(a) to the contrary, Holders of the Junior Preferred Stock shall not be entitled to receive any dividend or other distribution in the form of cash or assets (other than shares of Common Stock) paid or made with respect to the Common Stock after the Issue Date (x) if the Record Date for determination of holders of Common Stock entitled to receive such dividend or distribution occurs prior to the Issue Date, or (y) with respect to shares of Junior Preferred Stock converted on or prior to such Record Date.

(b) Each dividend or other distribution pursuant to Section III(a) above will be payable to Holders of record of Junior Preferred Stock as they appear in the records of the Corporation at the close of business on the Record Date for the corresponding dividend or distribution to the holders of shares of Common Stock.

(c) To the extent the Corporation declares dividends on the Junior Preferred Stock and Common Stock but does not make full payment of such declared dividends, the Corporation will allocate the dividend payments on a pro rata basis among the holders of shares of Junior Preferred Stock and the holders of Common Stock so that the amount of dividends actually paid per share on the Junior Preferred Stock and Common Stock shall in all cases bear to each other the same ratio as the then Applicable Conversion Rate. The foregoing right shall not be cumulative and shall not in any way create any claim or right in favor of Holders in the event that dividends have not been declared or paid in respect of any prior calendar quarter.

(d) Holders of Junior Preferred Stock shall not be entitled to any dividends, whether payable in cash, securities or other property, on the Junior Preferred Stock other than dividends (if any) declared and payable on Junior Preferred Stock as specified in this Section III and dividends of Common Stock or other securities of the Corporation pursuant to Section II(b).

(e) Notwithstanding any provision in this Certificate of Designation to the contrary, Holders of Junior Preferred Stock shall not be entitled to receive any dividends with respect to any such shares converted into Common Stock, except to the extent that any such dividends have been declared by the Board or any duly authorized committee of the Board (and the Record Date for such dividend occurs) after the Issue Date and prior to the applicable Conversion Date of such shares.

Section IV. Voting

(a) Shares of Junior Preferred Stock shall have no voting rights except as set forth in Section IV(b) or as otherwise required by Georgia law from time to time. In exercising the voting rights set forth in Section IV(b), each Holder shall be entitled to one vote for each share of Junior Preferred Stock held by such Holder.

(b) So long as any shares of Junior Preferred Stock remain outstanding, unless a greater percentage shall then be required by law, the Corporation shall not, without the affirmative vote or written consent of the Holders (voting or consenting separately as one class) of at least a majority of the outstanding shares of Junior Preferred Stock, amend, alter or repeal or otherwise change (including in connection with any merger, consolidation or other similar transaction) any provision of the Articles of Incorporation, including this Certificate of Designation, if the amendment, authorization or repeal would significantly and adversely affect the rights or preferences of the Junior Preferred Stock. Notwithstanding the foregoing, except as otherwise required by law, the Corporation may, without the consent of any Holder, authorize, increase the authorized amount of, or issue shares of Senior Stock or Parity Stock, and in taking such actions, the Corporation shall not be deemed to have significantly adversely affected the existing terms of the Junior Preferred Stock.

Section V. Liquidation

(a) In the event of any liquidation, dissolution or winding up of the affairs of the Corporation, whether voluntary or involuntary, which occurs while any Junior Preferred Stock remains outstanding (each a "Liquidation Event"), Holders of shares of Junior Preferred Stock shall, subject to the prior rights of any holders of Senior Stock, be entitled to receive and be paid out of the assets of the Corporation available for distribution to its stockholders, for each such share (or fraction thereof), a liquidating distribution in an amount equal to that received by holders of the Common Stock for each share of Common Stock into which such share of Junior Preferred Stock (or fraction thereof) was convertible at the Applicable Conversion Rate immediately prior to such Liquidation Event.

(b) If, in any distribution described in Section V(a) above, the assets of the Corporation or proceeds thereof are not sufficient to pay in full the amounts payable with respect to all outstanding shares of Junior Preferred Stock and the corresponding amounts payable with respect to the Common Stock or any other Parity Stock as to such distribution, Holders of Junior Preferred Stock and the holders of Common Stock or any other Parity Stock shall share ratably in any such distribution in proportion to the full respective distributions to which they are entitled.

(c) For purposes of this Section V, neither the sale, conveyance, exchange or transfer (for cash, shares of stock, securities or other consideration) of all or substantially all of the property and assets of the Corporation (other than in connection with the voluntary or involuntary liquidation, winding up or dissolution of the Corporation) nor the merger, consolidation or any other business combination transaction of the Corporation into or with any other corporation or Person shall be deemed to be a voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Corporation.

(d) In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, the Corporation shall, within ten (10) days after the date the Board approves such action, or at least twenty (20) days prior to any stockholder's meeting called to approve such action, if applicable, or within twenty (20) days after the commencement of any involuntary proceeding, whichever is earlier, give each Holder initial written notice of the proposed action. Such initial written notice shall describe the material terms and conditions of such proposed action.

Section VI. Adjustments for Change of Control

(a) Upon the occurrence of a Change of Control (as defined herein) while any shares of Junior Preferred Stock remain outstanding, each share of Junior Preferred Stock (or fraction thereof) outstanding immediately prior to such Change of Control shall, without the consent of Holders, become convertible into the types and amounts of securities, cash, and other property that is or was receivable in such Change of Control by a holder of the number of shares of Common Stock into which such share of Junior Preferred Stock (or fraction thereof) was convertible immediately prior to such Change of Control (such securities, cash, and other property, the "Exchange Property"); provided, however, that if receipt of the Exchange Property would cause the Holder to the Holder to acquire control of a bank, as "control" is defined in Section 2(a)(2) of the Bank Holding Company Act of 1956, as amended, and the implementing regulations of the Board of Governors of the Federal Reserve System, require the Holder to file a Change in Bank Control Act notice or require the Holder to make any similar regulatory filing, proper provision shall be made for such Holder to receive shares of non-voting securities in lieu of any voting securities included in the Exchange Property, the terms of which non-voting securities shall be as nearly equivalent as practicable to those of the Junior Preferred Stock.

(b) A "Change of Control" shall mean:

(i) an acquisition of more than fifty percent (50%) of the equity securities of the Corporation (measured by vote or value) by means of merger or other form of corporate reorganization in which outstanding shares of the Corporation are exchanged for securities or other consideration issued, or caused to be issued, by the Acquiring Person (as defined below) or its Parent, Subsidiary or Affiliate (each as defined in Rule 12b-2 of the Exchange Act);

(ii) a sale or other disposition of all or substantially all of the assets of the Corporation (on a consolidated basis) in a single transaction or series of related transactions;

(iii) any tender offer, exchange offer, stock purchase or other transaction or event or series of related transactions or events by or involving the Corporation in which a single entity or group becomes the direct or indirect owner of more than fifty percent (50%) of the equity securities of the Corporation (measured by vote or value);

(iv) a capital reorganization or reclassification of the Common Stock or other securities.

Notwithstanding anything contained herein to the contrary, a change in the state of incorporation of the Corporation shall not in and of itself constitute a Change of Control.

(c) "Acquiring Person" means, in connection with any Change of Control any of the following, at the Holder's election, (i) the continuing or surviving Person of a consolidation or merger with the Corporation (if other than the Corporation), (ii) the transferee of all or substantially all of the properties or assets of the Corporation, (iii) the corporation consolidating with or merging into the Corporation in a consolidation or merger in connection with which the Common Stock is changed into or exchanged for stock or other securities of any other Person or cash or any other property, (iv) the entity or group acting in concert acquiring or possessing the power to cast the majority of the eligible votes at a meeting of the Corporation's stockholders at which directors are elected, or, (v) in the case of a capital reorganization or reclassification, the Corporation, or (vi) at the Holder's election, any Person that (x) controls the Acquiring Person directly or indirectly through one or more intermediaries, (y) is required to include the Acquiring Person in the consolidated financial statements contained in such Person's Annual Report on Form 10 K (if such Person is required to file such a report) or would be required to so include the Acquiring Person in such Person's consolidated financial statements if they were prepared in accordance with U.S. generally accepted accounting principles and (z) is not itself included in the consolidated financial statements of any other Person (other than its consolidated subsidiaries).

(d) If holders of shares of Common Stock have the opportunity to elect the form of consideration to be received in a Change of Control, the Holders of Junior Preferred Stock shall be entitled to receive the same election.

(e) The Corporation (or any successor) shall, within 20 days of the occurrence of any Change of Control or, if earlier, the date on which similar notice is given to holders of Common Stock, provide written notice to the Holders of such occurrence and of the type and amount of the cash, securities or other property that constitutes the Exchange Property. Failure to deliver such notice shall not affect the operation of this Section VI.

Section VII. Reports as to Adjustments

Whenever the number of shares of Common Stock into which the shares of Junior Preferred Stock are convertible is adjusted as provided in Section II(b), the Corporation shall, as soon as is reasonable practicable, compute such adjustment and furnish to the Holders a certificate of the Corporation, setting forth the number of shares of Common Stock into which each share of Junior Preferred Stock (or fraction thereof) is convertible as a result of such adjustment, a brief statement of the facts requiring such adjustment, the computation thereof and when such adjustment will become effective.

Section VIII. Transfer Restrictions

Shares of Junior Preferred Stock may not be transferred to any Person other than pursuant to a Permitted Transfer, and any attempt to transfer one or more shares of Junior Preferred Stock (or fraction thereof) to a Person other than pursuant to a Permitted Transfer shall be void and of no effect.

Section IX. Exclusion of Other Rights

Except as may otherwise be required by law, shares of Junior Preferred Stock shall not have any powers, preferences, participation and other special rights, qualifications, limitations, restrictions and other designations, other than those specifically set forth herein (as this Certificate of Designation may be amended from time to time) and in the Articles of Incorporation. The shares of Junior Preferred Stock shall have no preemptive or subscription rights.

Section X. Severability of Provisions

If any powers, preferences, participation and other special rights, qualifications, limitations, restrictions and other designations of the Junior Preferred Stock set forth in this Certificate of Designation (as this Certificate of Designation may be amended from time to time) is invalid, unlawful or incapable of being enforced by reason of any rule of law or public policy, all other powers, preferences, participation and other special rights, qualifications, limitations, restrictions and other designations of the Junior Preferred Stock set forth in this Certificate of Designation (as so amended) which can be given effect without the invalid, unlawful or unenforceable powers, preferences, participation and other special rights, qualifications, limitations, restrictions and other designations of the Junior Preferred Stock shall, nevertheless, remain in full force and effect, and no powers, preferences, participation and other special rights, qualifications, limitations, restrictions and other designations of the Junior Preferred Stock herein set forth shall be deemed dependent upon any other such powers, preferences, participation and other special rights, qualifications, limitations, restrictions and other designations of the Junior Preferred Stock unless so expressed herein.

Section XI. Rank

Notwithstanding anything set forth in the Articles of Incorporation or this Certificate of Designation to the contrary, the Board or any authorized committee of the Board, without the vote of Holders of the Junior Preferred Stock, may authorize and issue additional shares of stock ranking junior or senior to, or on parity with, the Junior Preferred Stock as to dividends and the distribution of assets upon any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation or any other powers, preferences, participation and other special rights, qualifications, limitations, restrictions and other designations.

Section XII. No Redemption

The Corporation may not, at any time, redeem the outstanding shares of the Junior Preferred Stock, except upon the unanimous consent of the Holders of all outstanding shares of Junior Preferred Stock.

Section XIII. Repurchases

Subject to the limitations imposed herein, the Corporation may purchase and sell shares of Junior Preferred Stock (or fraction thereof) from time to time to such extent, in such manner, and upon such terms as the Board or any duly authorized committee of the Board may determine.

Section XIV. No Sinking Fund

Shares of Junior Preferred Stock are not subject to the operation of a sinking fund or any similar provisions.

Section XV. Notices

All notices, requests and other communications to a Holder of Junior Preferred Stock shall be in writing (including facsimile transmission) and shall be given at the address of such Holder as shown on the books of the Corporation. A Holder of Junior Preferred Stock may waive any notice required hereunder by a writing signed before or after the time required for notice or the action in question. Notice shall be deemed given on the earlier of the date received or three business days after the date such notice is mailed by first-class mail, postage prepaid.

FORM OF
CERTIFICATE OF RIGHTS AND PREFERENCES
OF
SERIES C CONVERTIBLE PREFERRED STOCK
OF
UNITED COMMUNITY BANKS, INC.

March [●], 2010

Pursuant to Section 14-2-602 of the Georgia Business Corporation Code and Article V of the Restated Articles of Incorporation, as amended, of United Community Banks, Inc., a corporation organized and existing under the laws of the State of Georgia (the "Company"), hereby certifies that the following resolution was duly adopted by the Board of Directors of the Company effective as of March [●], 2010 pursuant to authority conferred upon the Board of Directors by the Restated Articles of Incorporation of the Company, as amended, which authorize the issuance of up to Ten Million (10,000,000) shares of preferred stock, par value $1.00 per share.

RESOLVED, that pursuant to authority expressly granted to and vested in the Board of Directors of the Company and pursuant to the provisions of the Articles of Incorporation, the Board of Directors hereby creates a series of preferred stock, herein designated and authorized as the Series C Convertible Preferred Stock, par value $1.00 per share, which shall consist of Sixty-Five Thousand (65,000) of the shares of preferred stock which the Company now has authority to issue, and the Board of Directors hereby fixes the powers, designations and preferences and the relative, participating, optional and other special rights of the shares of such series, and the qualifications, limitations and restrictions thereof as follows:

1. Number. The number of shares constituting the Series C Convertible Preferred Stock shall be Sixty-Five Thousand (65,000), all of which are issuable solely under the Agreement.

2. Definitions. Unless the context otherwise requires, when used herein the following terms shall have the meaning indicated.

"Acquiring Person" has the meaning set forth in the Agreement.

"Acquisition Consideration" is defined in Section 6(f)(iii)(C).

"Agreement" means the Securities Purchase Agreement dated as of April 1, 2010, by and between the Company and Fletcher pursuant to which Sixty-Five Thousand (65,000) shares of Series C Preferred Stock and a warrant are to be issued by the Company, including all schedules, annexes and exhibits thereto, and as such agreement may be amended from time to time.

"Articles of Incorporation" means the Restated Articles of Incorporation of the Company, as amended.

"Board" means the Board of Directors of the Company.

"Business Day" means any day on which the Common Stock may be traded on the Nasdaq, or if not admitted for trading on the Nasdaq, on any day other than a Saturday, Sunday or holiday on which banks in New York City are required or permitted to be closed.

"Capital Stock" means (i) with respect to any Person that is a corporation, any and all shares, interests, participations or other equivalents (however designated) of capital or capital stock of such Person and (ii) with respect to any Person that is not a corporation, any and all partnership, limited partnership, limited liability company or other equity interests of such Person.

"Certificate of Rights and Preferences" means this Certificate of Rights and Preferences of the Series C Preferred Stock.

"Change of Control" has the meaning set forth in the Agreement.

"Change of Control Notice" is defined in Section 6(f)(i).

"Common Stock Equivalent Junior Preferred Stock" means the Company's Common Stock Equivalent Junior Preferred Stock, par value $1.00 per share, issuable pursuant to Section 6 of the Agreement, and any Capital Stock for or into which such Common Stock Equivalent Junior Preferred Stock hereafter is exchanged, converted, reclassified or recapitalized by the Company or pursuant to a Change of Control (or, at the election of the Holder, the Capital Stock of any Acquiring Person from and after the consummation of a Change of Control).

"Common Stock" means the Company's common stock, par value $1.00 per share, and any Capital Stock for or into which such common stock hereafter is exchanged, converted, reclassified or recapitalized by the Company or pursuant to a Change of Control (or, at the election of the Holder, the Capital Stock of any Acquiring Person from and after the consummation of a Change of Control).

"Company" means United Community Banks, Inc., a Georgia corporation (or any Acquiring Person from and after the consummation of a Change of Control).

"Contingent Notice" is defined in Section 6(f)(iii).

"Conversion Closing Date" is defined in Section 6(a)(i).

"Conversion Notice" is defined in Section 6(a)(i).

"Conversion Notice Date" is defined in Section 6(a)(i).

"Conversion Price" means Six Dollars and Two Cents ($6.02), subject to adjustment as set forth herein.

"Conversion Stock Amount" is defined in Section 6(a)(ii).

"Daily Market Price" has the meaning set forth in the Agreement.

"Dividend Payment Date" is defined in Section 3(a).

"Dividend Period" is defined in Section 3(a).

"Dividend Rate" means (i) prior to receipt of the Stockholder Consent, a rate equal to One Thousand Dollars ($1,000) per share multiplied by the lesser of (a) twelve percent (12%) per annum and (b) the sum of the three (3)-month London Interbank Offer Rate (LIBOR) determined as of the first day of the Dividend Period (or if the first day of the Dividend Period is not a Business Day, then the first Business Day after the first day of the Dividend Period) plus eight percent (8%) per annum, subject to Section 3(c); and (ii) after receipt of the Stockholder Consent, a rate equal to One Thousand Dollars ($1,000) per share multiplied by the lesser of (a) eight percent (8%) per annum and (b) the sum of the three (3)-month London Interbank Offer Rate (LIBOR) determined as of the first day of the Dividend Period (or if the first day of the Dividend Period is not a Business Day, then the first Business Day after the first day of the Dividend Period) plus four percent (4%) per annum, subject to Section 3(c).

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Fletcher" means Fletcher International, Ltd. a company domiciled in Bermuda, together with its successors.

"Holder" shall mean Fletcher and any one or more Persons to whom Fletcher sells, exchanges, transfers, assigns, gives, pledges, encumbers, hypothecates, alienates or distributes, whether directly or indirectly, any or all the Series C Preferred Stock or all or any portion of the right to purchase the Series C Preferred Stock under the Agreement.

"Investment Period" has the meaning set forth in the Agreement.

"Issue Date" means with respect to any shares of Series C Preferred Stock the original date of issuance of such shares of Series C Preferred Stock.

"Junior Securities" means Capital Stock that, with respect to dividends and distributions upon Liquidation, ranks junior to the Series C Preferred Stock, including but not limited to Common Stock, Common Stock Equivalent Junior Preferred Stock and any other class or series of Capital Stock issued by the Company or any Subsidiary of the Company on or after the date of the Agreement, but excluding any Parity Securities and Senior Securities issued (i) to Fletcher or its authorized assignees under the Agreement, (ii) with the approval of the Holders of a Majority of the Series C Preferred Stock or (iii) upon the conversion, redemption or exercise of securities described in clause (i) or (ii) in accordance with the terms thereof.

"Liquidation" means the voluntary or involuntary liquidation, dissolution or winding up of the Company; provided, however, that a consolidation, merger or share exchange shall not be deemed a Liquidation, nor shall a sale, assignment, conveyance, transfer, lease or other disposition by the Company of all or substantially all of its assets, which does not involve a distribution by the Company of cash or other property to the holders of Common Stock and Common Stock Equivalent Junior Preferred Stock, be deemed to be a Liquidation.

"Liquidation Preference" is defined in Section 4.

"Majority of the Series C Preferred Stock" means more than fifty percent (50%) of the then outstanding shares of Series C Preferred Stock.

"Maximum Number" has the meaning set forth in the Agreement.

"Nasdaq" has the meaning set forth in the Agreement.

"Ordinary Cash Dividend" means all quarterly cash dividends out of capital surplus or retained earnings legally available therefore (determined in accordance with generally accepted accounting principles, consistently applied), in an amount and frequency consistent with past practice.

"Parent" means, as to any Acquiring Person, any Person that (i) controls the Acquiring Person directly or indirectly through one or more intermediaries, (ii) is required to include the Acquiring Person in the consolidated financial statements contained in such Parent's Annual Report on Form 10-K (if the Parent is required to file such a report) or would be required to so include the Acquiring Person in such Parent's consolidated financial statements if they were prepared in accordance with U.S. generally accepted accounting principles and (iii) is not itself included in the consolidated financial statements of any other Person (other than its consolidated subsidiaries).

"Parity Securities" means any class or series of Capital Stock that, with respect to dividends or distributions upon Liquidation, is *pari passu* with the Series C Preferred Stock.

"Person" means an individual or a corporation, partnership, trust, incorporated or unincorporated association, limited liability company, joint venture, joint stock company, government (or an agency or political subdivision thereof) or other entity of any kind.

"Preferred Stock" means the Company's preferred stock authorized pursuant to the provisions of the Articles of Incorporation.

"Prevailing Market Price" means, with respect to any reference date, the average of the Daily Market Prices of the Common Stock (or, for purposes of determining the Prevailing Market Price of the common stock of an Acquiring Person or its Parent under Section 6(f), the common stock of such Acquiring Person or such Parent) for the twenty-five (25) Business Days ending on and including the third (3rd) Business Day before such reference date.

"Redemption Closing Date" is defined in Section 6(b)(i).

"Redemption Notice" is defined in Section 6(b)(i).

"Redemption Price" means Five Dollars and Twenty-Five Cents ($5.25), subject to adjustment as set forth herein.

"Redemption Stock Amount" is defined in Section 6(b)(ii).

"Restatement" has the meaning set forth in the Agreement.

"SEC" means the Securities and Exchange Commission.

"Securities Act" means the Securities Act of 1933, as amended, or any successor statute, and the rules and regulations promulgated thereunder.

"Senior Securities" means any class or series of Capital Stock that, with respect to dividends or distributions upon Liquidation, ranks senior to the Series C Preferred Stock.

"Series C Preferred Stock" means the Series C Convertible Preferred Stock of the Company or successor as contemplated by Section 6(f).

"Stated Value" is an amount equal to One Thousand Dollars ($1,000) per share of Series C Preferred Stock plus (x) any unpaid dividends on the Series C Preferred Stock (as of the date of determination, which for purposes of Sections 6(a) and 6(b) shall be the Conversion Closing Date and Redemption Closing Date, respectively), whether or not declared and whether or not earnings are available in respect of such dividends (i.e., the Stated Value shall increase in each Dividend Period by the Dividend Rate if and to the extent that dividends for such Dividend Period are not declared and paid by the respective Dividend Payment Date) and (y) any unpaid dividends declared on the Common Stock and Common Stock Equivalent Junior Preferred Stock in an amount equal to the product of (A) the per-share dividend other than the Ordinary Cash Dividend paid on Common Stock and Common Stock Equivalent Junior Preferred Stock multiplied by (B) the number of shares of Common Stock and/or the number of one-hundredths of a share of Common Stock Equivalent Junior Preferred Stock issuable upon redemption or conversion (whichever number of shares is greater) of a share of Series C Preferred Stock on the date such dividend is declared on the Common Stock and Common Stock Equivalent Junior Preferred Stock. In the event the Company shall declare a distribution on the Common Stock and Common Stock Equivalent Junior Preferred Stock payable in securities or property other than cash, the value of such securities or property will be the fair market value. Any securities shall be valued as follows: (i) if traded on a national securities exchange (as defined in the Exchange Act), the value shall be deemed to be the average of the closing prices of the securities on such exchange or system over the twenty-five (25) Business Day period ending three (3) calendar days prior to such declaration; (ii) if actively traded over-the-counter, the value shall be deemed to be the average of the closing bid or sale prices (whichever is applicable) over the twenty-five (25) Business Day period ending three (3) calendar days prior to such declaration; and (iii) if there is no active public market, the value shall be the fair market value thereof, as determined in good faith by the Board.

"Stockholder Consent" has the meaning set forth in the Agreement.

"Stockholder Consent Date" has the meaning set forth in the Agreement.

"Subsidiary" of a Person means (i) a corporation, a majority of whose stock with voting power, under ordinary circumstances, to elect directors is at the time of determination, directly or indirectly, owned by such Person or by one or more Subsidiaries of such Person, or (ii) any other entity (other than a corporation) in which such Person or one or more Subsidiaries of such Person, directly or indirectly, at the date of determination thereof has a least a majority ownership interest.

The foregoing definitions will be equally applicable to both the singular and plural forms of the defined terms.

3. Dividends and Distributions.

(a) Holders shall be entitled to receive out of the assets of the Company legally available for that purpose, cash dividends at the Dividend Rate to be paid in accordance with the terms of this Section 3. In addition, Holders for each share of Series C Preferred Stock then owned by such Holder shall be entitled to receive out of the assets of the Company legally available for that purpose, dividends or other distributions declared on the Common Stock and Common Stock Equivalent Junior Preferred Stock in the same form as such dividends or distributions in an amount equal to the product of (x) the amount of any per-share dividend or distribution other than the Ordinary Cash Dividends paid on the Common Stock and Common Stock Equivalent Junior Preferred Stock multiplied by (y) the number of shares of Common Stock and/or the number of one-hundredths of a share of Common Stock Equivalent Junior Preferred Stock issuable upon redemption or conversion (whichever number of shares is greater) of a share of the Series C Preferred Shares on the date such dividend is declared, to be paid in accordance with the terms of this Section 3. Such dividends shall be payable quarterly in arrears, when and as declared by the Board (or a duly appointed committee of directors), on April 15, July 15, October 15 and January 15 of each year commencing on April 15, 2010 and, in the case of dividends resulting from dividends or distributions declared on Common Stock and Common Stock Equivalent Junior Preferred Stock, no later than the date on which such dividends or distributions are paid to holders of the Common Stock and Common Stock Equivalent Junior Preferred Stock (each such date being herein referred to as a "Dividend Payment Date"). The period from the Issue Date to March 31, 2010, and each quarterly period between consecutive Dividend Payment Dates shall hereinafter be referred to as a "Dividend Period." The dividend for any Dividend Period for any share of Series C Preferred Stock that is not outstanding on every calendar day of the Dividend Period shall be prorated based on the number of calendar days such share was outstanding during the period. Each such dividend shall be paid to the Holders of record of the Series C Preferred Stock as their names appear on the share register of the Company on the Dividend Payment Date. Dividends on account of arrears for any past Dividend Periods may be declared and paid at any time, without reference to any Dividend Payment Date (including, without limitation, for purposes of computing the Stated Value of any shares of Series C Preferred Stock in connection with the conversion or redemption thereof or any Liquidation of the Company), to Holders of record on a date designated by the Board, not exceeding thirty (30) calendar days preceding the payment date thereof, as may be fixed by the Board. For purposes of determining the amount of dividends accrued as of the first Dividend Payment Date and as of any date that is not a Dividend Payment Date, such amount shall be calculated on the basis of the Dividend Rate for the actual number of calendar days elapsed from and including the Issue Date (in case of the first Dividend Payment Date and any date prior to the first Dividend Payment Date) or the last preceding Dividend Payment Date (in case of any other date) to the date as of which such determination is to be made, based on a three hundred sixty five (365) day year.

(b) So long as any shares of the Series C Preferred Stock shall be outstanding, (i) the Company shall not and shall not allow its Subsidiaries (other than direct or indirect wholly-owned Subsidiaries) to declare or pay any dividend whatsoever, whether in cash, property or otherwise, set aside any cash or property for the payment of any dividends, or make any other distribution on any Junior Securities or Parity Securities and (ii) the Company shall not and shall not allow its Subsidiaries to repurchase, redeem or otherwise acquire for value or set aside any cash or property for the repurchase or redemption of any Junior Securities or Parity Securities, unless in each such case all dividends to which the Holders of the Series C Preferred Stock shall have been entitled to receive for all previous Dividend Periods shall have been paid and dividends on the Series C Preferred Stock for the subsequent four Dividend Periods shall have been designated and set aside in cash.

(c) Notwithstanding anything herein to the contrary, whenever, at any time or times after the Company has obtained the approval of the stockholders of the Company to increase the authorized number of shares of Common Stock, the Company shall fail to redeem any Series C Preferred Stock by the date it is obligated to do so under Section 6(b) hereof and such failure is ongoing, then (x) the Dividend Rate with respect to such Series C Preferred Stock that is subject to such redemption shall mean a rate equal to twenty two percent (22%) per annum times the Stated Value until such date that the failure to redeem no longer exists.

(d) The Company shall be entitled to deduct and withhold from any dividend on the Series C Preferred Stock such amounts as the Company is required to deduct and withhold with respect to such dividend under the Internal Revenue Code of 1986, as amended, or any other provision of state, local or foreign tax law.

4. Liquidation Preference. In the event of any Liquidation, after payment or provision for payment by the Company of the debts and other liabilities of the Company and the liquidation preference of any Senior Securities that rank senior to the Series C Preferred Stock with respect to distributions upon Liquidation, each Holder shall be entitled to receive an amount in cash for each share of the then outstanding Series C Preferred Stock held by such Holder equal to the greater of (a) the Stated Value per share to and including the date full payment is tendered to the Holders with respect to such Liquidation and (b) the amount the Holders would have received if the Holders had converted all outstanding shares of Series C Preferred Stock into Common Stock and/or Common Stock Equivalent Junior Preferred Stock in accordance with the provisions of Section 6(a) hereof or redeemed all outstanding shares of Series C Preferred Stock into Common Stock and/or Common Stock Equivalent Junior Preferred Stock under Section 6(b) hereof (whichever is greater), in each case as of the Business Day immediately preceding the date of such Liquidation (such greater amount being referred to herein as the "Liquidation Preference"), before any distribution shall be made to the holders of any Junior Securities (and any Senior Securities or Parity Securities that, with respect to distributions upon Liquidation, rank junior to the Series C Preferred Stock) upon the Liquidation of the Company. In case the assets of the Company available for payment to the Holders are insufficient to pay the full Liquidation Preference on all outstanding shares of the Series C Preferred Stock and all outstanding shares of Parity Securities and Senior Securities that, with respect to distributions upon Liquidation, are *pari passu* with the Series C Preferred Stock in the amounts to which the holders of such shares are entitled, then the entire assets of the Company available for payment to the Holders and to the holders of such Parity Securities and Senior Securities shall be distributed ratably among the Holders of the Series C Preferred Stock and the holders of such Parity Securities and Senior Securities, based upon the aggregate amount due on such shares upon Liquidation. Written notice of any Liquidation of the Company, stating a payment date and the place where the distributable amounts shall be payable, shall be given by facsimile and overnight delivery not less than ten (10) calendar days prior to the payment date stated therein, to the Holders of record of the Series C Preferred Stock, if any, at their respective addresses as the same shall appear on the books of the Company.

5. Voting Rights. The Holders shall have the following voting rights with respect to the Series C Preferred Stock:

(a) Each share of Series C Preferred Stock shall entitle the holder thereof to the voting rights specified in Section 5(b) and no other voting rights except as required by law.

(b) The consent of the Holders of at least a Majority of the Series C Preferred Stock, voting separately as a single class with one vote per share, in person or by proxy, either in writing without a meeting or at an annual or a special meeting of such Holders called for the purpose, shall be necessary to amend, alter or repeal, by way of merger or otherwise, any of the provisions of the Articles of Incorporation, including the Certificate of Rights and Preferences, or Bylaws of the Company so as to significantly and adversely affect any of the rights or preferences of the Holders of the Series C Preferred Stock. Without limiting the generality of the preceding sentence, such change includes any action that would:

(i) Reduce the Dividend Rate on the Series C Preferred Stock or defer the date from which dividends will accrue, or cancel accrued and unpaid dividends, or change the relative seniority rights of the holders of Series C Preferred Stock as to the payment of dividends in relation to the holders of any other Capital Stock of the Company;

(ii) Reduce the amount payable to the holders of the Series C Preferred Stock upon the voluntary or involuntary liquidation, dissolution, or winding up of the Company, or change the relative seniority of the liquidation preferences of the holders of the Series C Preferred Stock to the rights upon liquidation of the holders of any other Capital Stock of the Company;

(iii) Make the Series C Preferred Stock redeemable at the option of the Company;

(iv) Authorize, create or issue any shares of Senior Securities (or amend the provisions of any existing class of Capital Stock to make such class of Capital Stock a class of Senior Securities); or

(v) Decrease (other than by redemption or conversion) the total number of authorized shares of Series C Preferred Stock.

6. Conversion and Redemption.

(a) Procedure for Conversion at the Option of the Company.

(i) General. Subject to Section 6(c) hereof, on or after the five year anniversary of the Stockholder Consent Date, on any date on which the Prevailing Market Price exceeds the Conversion Price by one hundred percent (100%) or more, the Company shall have the option to convert all, but not less than all, of the then outstanding shares of Series C Preferred Stock by delivering a duly executed written Preferred Stock conversion notice, substantially in the form attached as Annex F to the Agreement (the "Conversion Notice" and the date such notice is deemed delivered hereunder, the "Conversion Notice Date"), by facsimile, mail or overnight courier delivery, to the Holder. The closing of such conversion shall take place, subject to the satisfaction or waiver of the conditions set forth in Section 6(a)(iii), (a) on the twentieth (20^{th}) Business Day following and excluding the Conversion Notice Date or (b) any other date upon which the exercising Holder and the Company mutually agree (the "Conversion Closing Date"). The Conversion Notice shall apply only to shares of Series C Preferred Stock for which no Redemption Notice has been tendered to the Company before the twentieth (20^{th}) Business Day after the Conversion Notice Date, regardless of when the applicable redemption is consummated.

(ii) Conversion for stock. Subject to Section 6(c) hereof, such shares of stock shall be converted into that number of shares of Common Stock and/or number of one-hundredths ($1/100^{th}$) of a share of Common Stock Equivalent Junior Preferred Stock equal to (a) the aggregate Stated Value of such shares divided by (b) the Conversion Price (the "Conversion Stock Amount"). On the Conversion Closing Date, the Holder shall surrender the certificate representing the shares of Series C Preferred Stock to be converted to the Company at the address set forth for notices to the Company specified in Section 18 of the Agreement, and the Company shall deliver to such Holder as specified in the Conversion Notice the Conversion Stock Amount of duly authorized, validly issued, fully paid and nonassessable shares of Common Stock and/or Common Stock Equivalent Junior Preferred Stock.

(iii) Closing conditions. It shall be a condition of the converting Holder's obligation to close that each of the following is satisfied, unless expressly waived by such Holder in writing (which Holder may do or refrain from doing in its sole discretion):

(A) (w) the representations and warranties made by the Company in the Agreement shall be true and correct as of the Conversion Closing Date, except those representations and warranties that address matters only as of a particular date, which shall be true and correct as of such date; (x) the Company shall have complied fully with all of the covenants and agreements in the Agreement; (y) all shares of Common Stock to be issued upon such conversion shall be duly listed and admitted to trading on the Nasdaq Global Select Market, the Nasdaq Global Market or the New York Stock Exchange; and (z) such Holder shall have received a certificate of the Chief Executive Officer and the Chief Financial Officer of the Company dated such date and to the effect of clauses (x), (y) and (z).

(B) On the Conversion Closing Date, the Company shall have delivered to the Holder (x) a Conversion Notice, substantially in the form attached as Annex G to the Agreement and (y) the legal opinion described in Section 12(b) of the Agreement.

(C) If the issuance of Common Stock or Common Stock Equivalent Junior Preferred Stock would cause the number of shares of Common Stock and Common Stock Equivalent Junior Preferred Stock held by any Holder to exceed the Maximum Number then delivery of such shares of Common Stock or Common Stock Equivalent Junior Preferred Stock shall be deferred pursuant to Section 6(d) of the Agreement. Notwithstanding anything herein to the contrary, in such event, the Company shall no longer be obligated to pay any dividend on the Series C Preferred Stock or provide or recognize any other preferences, limitations, powers or other rights provided by this Certificate of Rights and Preferences to the extent that, if the Series C Preferred Stock would have been converted, the Holder would beneficially own Common Stock and Common Stock Equivalent Junior Preferred Securities that would exceed the Maximum Number.

The Company shall use its best efforts to cause each of the foregoing conditions to be satisfied at the earliest practicable date after a Conversion Notice. If such conditions are not satisfied or waived prior to the twentieth (20^{th}) Business Day following and excluding the date the Conversion Notice is delivered, then the Company may, at its sole option, and at any time, withdraw the Conversion Notice by written notice to the Holder regardless of whether such conditions have been satisfied or waived as of the withdrawal date and, after such withdrawal, shall have no further obligations with respect to such Conversion Notice and may submit a Conversion Notice with respect to the shares referenced in the withdrawn Conversion Notice pursuant to Section 6(a)(i) hereof, subject to the closing conditions in this Section 6(a)(iii).

(iv) Holder of record. Each conversion of Series C Preferred Stock shall be deemed to have been effected immediately before the close of business on the Business Day on which the Conversion Notice is delivered (except, that, for purposes of calculation of the Stated Value, dividends shall accrue until and including the Conversion Closing Date), and at such time the Person or Persons in whose name or names any certificate or certificates for shares of Common Stock or Common Stock Equivalent Junior Preferred Securities shall be issuable upon such conversion as provided in Section 6(a)(ii) shall be deemed to have become the holder or holders of record thereof.

(b) Procedure for Redemption at the Option of the Holder.

(i) General. Subject to Section 6(c) hereof, at any time after the Company has obtained the approval of the stockholders of the Company to increase the authorized number of shares of Common Stock, a Holder of Series C Preferred Stock may at the option of the Holder require the Company to redeem any or all shares of Series C Preferred Stock held by such Holder for Common Stock and/or Common Stock Equivalent Junior Preferred Stock on one or more occasions by delivering an optional redemption notice (a "Redemption Notice") to the Company substantially in the form attached as Annex H to the Agreement; provided, however, that until the Company has obtained the approval of the stockholders of the Company to increase the authorized number of shares of Common Stock, a Holder of Series C Preferred Stock may require the Company to redeem any or all of such shares of Series C Preferred Stock for Common Stock Equivalent Junior Preferred Stock. The closing of such redemption shall take place, subject to the satisfaction or waiver of the conditions set forth in Section 6(b)(iii) (a) on the second (2^{nd}) Business Day, or if the Holder so elects, the third (3^{rd}) Business Day, following and excluding the date the Redemption Notice is delivered or (b) any other date upon which the exercising Holder and the Company mutually agree (the "Redemption Closing Date").

(ii) Redemption for stock. Subject to Section 6(c) hereof, such shares of Series C Preferred Stock shall be redeemed into that number of shares of Common Stock and/or number of one-hundredths ($1/100^{th}$) of a share of Common Stock Equivalent Junior Preferred Stock equal to (a) the aggregate Stated Value of such shares divided by (b) the Redemption Price (the "Redemption Stock Amount"). On the Redemption Closing Date, the Holder shall surrender the certificate representing the shares of Series C Preferred Stock to be redeemed to the Company at the address set forth for notices to the Company specified in Section 18 of the Agreement and the Company shall deliver to such Holder as specified in the Redemption Notice the Redemption Stock Amount of duly authorized, validly issued, fully paid and nonassessable shares of Common Stock and/or Common Stock Equivalent Junior Preferred Stock.

(iii) Closing conditions. It shall be a condition of the redeeming Holder's obligation to close that each of the following is satisfied, unless expressly waived by such Holder in writing:

(A) (w) the representations and warranties made by the Company in the Agreement shall be true and correct as of the Redemption Closing Date, except those representations and warranties that address matters only as of a particular date, which shall be true and correct as of such date; (x) the Company shall have complied fully with all of the covenants and agreements in the Agreement; (y) all shares of Common Stock to be issued upon such redemption shall be duly listed and admitted to trading on the Nasdaq Global Select Market, the Nasdaq Global Market or the New York Stock Exchange; and such Holder shall have received a certificate of the Chief Executive Officer and (z) the Chief Financial Officer of the Company dated such date and to the effect of clauses (w), (x) and (y).

(B) On the Redemption Closing Date, the Company shall have delivered to the Holder (x) a Preferred Stock redemption delivery notice, substantially in the form attached as Annex I to the Agreement and (y) the legal opinion described in Section 12(b) of the Agreement.

(C) As of the Redemption Closing Date, the Company shall have notified the Holder of all Restatements.

(D) If the issuance of Common Stock or Common Stock Equivalent Junior Preferred Stock would cause the number of shares of Common Stock and Common Stock Equivalent Junior Preferred Stock held by any Holder to exceed the Maximum Number then delivery of such shares of Common Stock or Common Stock Equivalent Junior Preferred Stock shall be deferred pursuant to Section 6(d) of the Agreement. Notwithstanding anything herein to the contrary, in such event, the Company shall no longer be obligated to pay any dividend on the Preferred Stock or provide or recognize any other preferences, limitations, powers or other rights provided by this Certificate of Rights and Preferences to the extent that, if the Series C Preferred Stock would have been redeemed, the Holder would beneficially own Common Stock and Common Stock Equivalent Junior Preferred Securities that would exceed the Maximum Number.

(iv) Holder of record. Each redemption of Series C Preferred Stock shall be deemed to have been effected immediately before the close of business on the Business Day on which the Redemption Notice is delivered (except, that, for the purposes of calculation of the Stated Value, dividends shall accrue until and including the Redemption Closing Date), and at such time the Person or Persons in whose name or names any certificate or certificates for shares of Common Stock (or Other Securities) shall be issuable upon such redemption as provided in Section 6(b)(ii) shall be deemed to have become the holder or holders of record thereof. The foregoing notwithstanding, such redemption shall not be deemed effective if and as of the date that the Holder delivers written notice of withdrawal to the Company as set forth in Section 6(b)(v) below.

(v) Withdrawal of Redemption Notice. If the conditions set forth in Section 6(b)(iii) are not satisfied or waived on or prior to the Redemption Closing Date or if the Company fails to perform its obligations on any Redemption Closing Date (including delivery of all shares of Series C Preferred Stock issuable on such date), then in addition to all remedies available to Holder at law or in equity, Holder may, at its sole option, and at any time, withdraw the Redemption Notice by written notice to the Company regardless of whether such conditions have been satisfied or waived as of the withdrawal date and, after such withdrawal, shall have no further obligations with respect to such Redemption Notice and may submit a Redemption Notice on any future date with respect to such Series C Preferred Stock and the Redemption Price for such subsequent Redemption Notice shall be the lesser of (x) the Redemption Price in the withdrawn Redemption Notice and (y) the Redemption Price in effect as of the date of the subsequent Redemption Notice. If the Company fails to deliver (A) shares of Common Stock as provided in Section 6(b) on or before the later of the twentieth (20^{th}) Business Day following and excluding (1) the Redemption Closing Date or (2) three (3) Business Days after the Stockholder Consent Date (if and to the extent such approval is required to issue such shares of Common Stock) or (B) shares of Common Stock Equivalent Junior Preferred Stock on or before the twentieth (20^{th}) Business Day following and excluding the Redemption Closing Date, then the Redemption Price shall equal the lesser of Four Dollars and Forty-One Cents ($4.41) and the Redemption Price in effect immediately before such date.

(vi) Partial redemption. If any redemption is for only part of the shares represented by the certificate surrendered, the Company shall deliver on the Redemption Closing Date a new Series C Preferred Stock certificate of like tenor, calling in the aggregate on the face or faces thereof for the number of shares of Series C Preferred Stock in the name and to an address specified by the Holder.

(c) Maximum Voting Stock Amount. The Company shall not effect any conversion or redemption of the Series C Preferred Stock, and the Holders shall not have the right to convert or redeem any portion of the Series C Preferred Stock, into Common Stock to the extent such conversion, redemption or exercise would result in aggregate issuances upon conversion or redemption of the Series C Preferred Stock in excess of nine and seventy-five one hundredths percent (9.75%)(the "Maximum Voting Stock Amount") of the number of shares of Common Stock that would be outstanding after giving effect to such conversion or redemption. Holders of a Majority of the Series C Preferred Stock shall have the right to permanently reduce the percentage used in the determination of the Maximum Voting Stock Amount to four and seventy-five one hundredths percent (4.75%) at any time, effective upon delivery of written notice of such election to the Company. In the event that the Company cannot effect a conversion or redemption of the Series C Preferred Stock into Common Stock pursuant to the terms of this Section 6(c), the conversion or redemption shall be effected into an equal number of shares of Common Stock Equivalent Junior Preferred Stock of the Company.

(d) The Company shall at all times reserve for issuance such number of its shares of Common Stock and Common Stock Equivalent Junior Preferred Stock as shall be required under the Agreement. The Company will procure, at its sole expense, the listing of the Common Stock issuable upon conversion or redemption of the Series C Preferred Stock (including upon the conversion of Common Stock Equivalent Junior Preferred Stock issuable upon the conversion or redemption of the Series C Preferred Stock) and shares issuable as dividends hereunder, subject to issuance or notice of issuance, on all stock exchanges and quotation systems on which the Common Stock is then listed or quoted, no later than the date on which such Series C Preferred Stock is issued to the Holder and thereafter shall use its best efforts to prevent delisting or removal from quotation of such shares. The Company will pay any and all documentary stamp or similar issue or transfer taxes that may be payable in respect of the issuance or delivery of shares of Common Stock and/or Common Stock Equivalent Junior Preferred Stock on conversion or redemption of shares of the Series C Preferred Stock. The Company shall not, however, be required to pay any tax which may be payable in respect of any transfer involving the issue and delivery of shares of Common Stock and/or Common Stock Equivalent Junior Preferred Stock in a name other than that in which the shares of Series C Preferred Stock so converted or redeemed were registered, and no such issue and delivery shall be made unless and until the person requesting such issue has paid to the Company the amount of any such tax, or has established, to the reasonable satisfaction of the Company, that such tax has been paid.

(e) No fractional shares or scrip representing fractional shares of Common Stock or, other than fractional shares in increments of one-hundredth ($1/100^{th}$) of a share, of Common Stock Equivalent Junior Preferred Stock shall be issued upon the conversion or redemption of the Series C Preferred Stock. If any such conversion or redemption would otherwise require the issuance of a fractional share of Common Stock or, other than fractional shares in increments of one-hundredth ($1/100^{th}$) of a share, of Common Stock Equivalent Junior Preferred Stock, an amount equal to such fraction multiplied by the current Daily Market Price per share of Common Stock on the date of conversion or redemption shall be paid to the Holder in cash by the Company. If more than one share of Series C Preferred Stock shall be surrendered for conversion or redemption at one time by or for the same Holder, the number of shares of Common Stock and/or Common Stock Equivalent Junior Preferred Stock issuable upon conversion or redemption thereof shall be computed on the basis of the aggregate number of shares of Series C Preferred Stock so surrendered.

(f) Change of Control.

(i) If the Company on or after the date of the Agreement is party to any Change of Control, proper provision shall be made so that, upon the basis and the terms and in the manner provided herein, the Holder of each unconverted and unredeemed share of Series C Preferred Stock, upon conversion or redemption thereof at any time after the consummation of such Change of Control, shall be entitled to, and appropriate adjustments will be made to ensure that the Holder will receive, equivalent rights as those provided in this Certificate of Rights and Preferences, including, without limitation, the voting, dividend, conversion, redemption and liquidation rights contained herein with respect to the Acquiring Person. The Company shall, prior to the consummation of any Change of Control, provide that each Person (other than the Company) that may be required to deliver any stock, securities, cash or property upon conversion of Series C Preferred Stock as provided herein shall assume, by written instrument delivered to, and reasonably satisfactory to, the Holders of a Majority of the Series C Preferred Stock, (a) the obligations of the Company under this Certificate of Rights and Preferences (and if the Company shall survive the consummation of such transaction, such assumption shall be in addition to, and shall not release the Company from, any continuing obligations of the Company under this Certificate of Rights and Preferences) and (b) the obligation to deliver to the Holders of Series C Preferred Stock such shares of stock, securities, cash or property as, in accordance with the provisions of this Certificate of Rights and Preferences, such Holders may be entitled to receive, and such Person shall have similarly delivered to such Holders an opinion of counsel for such Person, which counsel shall be reasonably satisfactory to Holders of a Majority of the Series C Preferred Stock, stating that the rights of such Holders under this Certificate of Rights and Preferences shall thereafter continue in full force and effect with respect to such Acquiring Person in accordance with the terms hereof.

(ii) In the event of a Change of Control, all references to the Conversion Price or the Redemption Price herein shall be references to the Stock Adjustment Measuring Price. "Stock Adjustment Measuring Price" means an amount equal to the Conversion Price or the Redemption Price, as applicable, multiplied by a fraction,

(A) the numerator of which is the Daily Market Price of the securities for Common Stock is exchanged in the Change of Control (or if none, the most widely-held class of voting securities of the Acquiring Person) determined as of the Business Day immediately preceding and excluding the date on which the Change of Control is consummated; and

(B) the denominator of which is the Daily Market Price of the Common Stock of the Company determined as of the Business Day immediately preceding and excluding the date on which the Change of Control is consummated.

(iii) Prior to the effective date of a Change of Control, the Company shall continue to have the right to submit to each Holder Conversion Notices and each Holder shall continue to have the right to submit to the Company Redemption Notices and consummate closings of any such conversions or redemptions, in each party's sole discretion, in accordance with the terms and conditions of this Certificate of Rights and Preferences. In addition, the Holder at its sole option may elect to submit to the Company a special notice (a "Contingent Notice") to redeem the Series C Preferred Stock (including any Series C Preferred Stock issued pursuant to a Contingent Investment Notice (as defined in the Agreement) under the Agreement) in whole or in part in connection with such Change of Control; in which case, notwithstanding anything to the contrary herein:

(A) the effectiveness of such contingent redemption shall be conditional upon the effectiveness of the Change of Control;

(B) until the effective date of such Change of Control, the Holder shall have the right to deliver a notice to withdraw such Contingent Notice; and

(C) if such Contingent Notice shall not have been withdrawn, then on the effective date of such Change of Control, such Holder shall receive the same consideration, in the form of cash, securities or other assets (the "Acquisition Consideration") per share of Common Stock and Common Stock Equivalent Junior Preferred Stock issuable to any other holder of shares of Common Stock and Common Stock Equivalent Junior Preferred Stock in connection with such Change of Control based upon the number of shares of Common Stock and Common Stock Equivalent Junior Preferred Stock which the Holder would have held if the Holder had consummated such redemption on the Business Day immediately preceding the date on which such Change of Control occurs.

7. Status of Converted and Redeemed Shares; Limitations on Series C Preferred Stock. The Company shall return to the status of unauthorized and undesignated shares of Preferred Stock each share of Series C Preferred Stock which shall be converted, redeemed or for any other reason acquired by the Company, and such shares thereafter may have such characteristics and designations as the Board may determine (subject to Section 5 hereof), provided, however, that no share of Series C Preferred Stock which shall be converted, redeemed or otherwise acquired by the Company shall thereafter be reissued, sold or transferred by the Company as Series C Preferred Stock. The Company will not issue any further shares of Series C Preferred Stock.

8. Subdivision of Common Stock. Notwithstanding anything herein to the contrary, if the Company at any time subdivides (by any stock split, stock dividend, recapitalization, reorganization, reclassification or otherwise) the shares of Common Stock and/or Common Stock Equivalent Junior Preferred Stock into a greater number of shares, then, after the date of record for effecting each such subdivision, all measurements and references herein related to share prices for such securities will be proportionately decreased and all references to share numbers for such securities herein will be proportionately increased.

9. Nonperformance. If the Company, shall (i) at any time fail to deliver the shares of Common Stock Equivalent Junior Preferred Stock required to be delivered to the Holder pursuant hereto or (ii) at any time after the Company has obtained the approval of the stockholders of the Company to increase the authorized number of shares of Common Stock, fail to deliver the shares of Common Stock or required to be delivered to the Holder pursuant hereto, for any reason other than the failure of any condition precedent to the Company's obligations hereunder or the failure by the Holder to comply with its obligations hereunder, then the Company shall (without limitation to the Holder's other remedies at law or in equity): (i) indemnify and hold the Holder harmless against any loss, claim or damage arising from or as a result of such failure by the Company (regardless of whether any of the foregoing results from a third-party claim or otherwise) and (ii) reimburse the Holder for all of its reasonable out-of-pocket expenses (which includes fees and expenses of its counsel) incurred by the Holder in connection herewith and the transactions contemplated herein (regardless of whether any of the foregoing results from a third-party claim or otherwise).

10. Assignment. The Holder may, in its sole discretion, freely assign, pledge, hypothecate or transfer all shares of Series C Preferred Stock.

[The rest of this page is intentionally left blank.]

IN WITNESS WHEREOF, this Certificate of Rights and Preferences has been signed on behalf of the Company by its Chief Financial Officer and attested to by its Corporate Secretary, all as of the date first set forth above.

UNITED COMMUNITY BANKS, INC.

Name:	Rex S. Schuette
Title:	Chief Financial Officer

Name:	Lori McKay
Title:	Corporate Secretary

[Signature Page to Certificate of Rights and Preferences]

Exhibit 99.1

For Immediate Release

April 1, 2010

For more information:

Rex S. Schuette
Chief Financial Officer
706-781-2265
rex_schuette@ucbi.com

UNITED COMMUNITY BANKS, INC. ANNOUNCES THE SALE OF 25 PERCENT OF ITS NON-PERFORMING ASSETS AND A $65 MILLION CAPITAL FACILITY

BLAIRSVILLE, GA, April 1, 2010 – United Community Banks, Inc. (Nasdaq: UCBI, "United") announced today that it has entered into a securities purchase agreement with Fletcher International, Ltd. ("Fletcher") and its wholly owned subsidiary, United Community Bank, has entered into an asset purchase and sale agreement with Fletcher International, Inc. and certain affiliates thereof (the "Purchasers").

United Community Bank ("Bank") has agreed to sell to the Purchasers $100 million of certain non-performing commercial and residential mortgage loans and other real estate owned properties with an aggregate sales price equal to the Bank's carrying value. In connection with the asset sale, which is scheduled to close on or before April 30, 2010, the Bank will receive a $10 million deposit from Fletcher and the Bank will loan the Purchasers $80 million, in aggregate, to acquire the purchased assets, with the remainder paid in cash. The Purchasers will also deposit $17.5 million upon the purchase of the assets, to pre-fund the estimated three years of interest and other related carry costs. As part of the asset sale, Fletcher will receive a $30 million warrant to purchase common stock equivalent junior preferred stock that is equal to, after exercise, 7,058,824 shares of United's common stock at an exercise price of $4.25 per common share assuming the exercise price was paid in cash.

“This is a very unique and attractive transaction for United and its shareholders,” stated Jimmy Tallent, president and chief executive officer of United. “It allows us to sell $100 million of our more illiquid non-performing assets in our non-Atlanta markets while avoiding any additional charge-offs and credit costs. This is particularly attractive due to the lack of investors in these markets and the difficulty we have experienced in successfully selling lots, raw land, and other properties. This transaction helps to significantly reduce our non- performing assets by about 25%, allowing us to achieve our goal of reducing non-performing assets at the highest economic value to our shareholders while preserving our capital position.”

Also on April 1, 2010, United and Fletcher entered into a securities purchase agreement pursuant to which during the next two years, Fletcher has the right to purchase up to $65 million of United’s Series C Convertible Preferred Stock (the “Convertible Preferred Stock”). After shareholder approval, the Convertible Preferred Stock will bear interest equal to LIBOR + 4 percent per annum with a cap of 8 percent and is convertible by Fletcher into United’s common stock at $5.25 per share. If Fletcher has not purchased all of the Convertible Preferred Stock by May 26, 2011, it must pay United 5 percent of the commitment amount not purchased by such date, and it must pay United an additional 5 percent of the commitment amount not purchased by May 26, 2012.

“The securities facility with Fletcher provides United with access to additional capital at a cost that we believe is very attractive and, coupled with the asset sale, will allow us to be more proactive in pursuing market opportunities,” stated Tallent. “We believe that United currently maintains a sound capital position and as a result of this facility, we have enhanced our capital base.”

As part of the securities transaction, the initial warrant issued to Fletcher in connection with the asset sale will be increased upon Fletcher purchasing Convertible Preferred Stock by an amount equal to $1.00 for each $1.00 of Convertible Preferred Stock purchased in excess of $30 million with a maximum of an additional $35 million of warrants being granted to purchase common stock equivalent junior preferred stock. This $35 million warrant, after exercise, is equal to 5,813,953 shares of United’s common stock at an exercise price of $6.02 per common share assuming the exercise price was paid in cash. The warrant has a life of nine years and may only be exercised by way of a cashless exercise. The net shares to be delivered upon cashless exercise will be less than what would have been issuable if the warrant had been exercisable for cash.

“We have been working with Fletcher on this transaction for some time,” stated Tallent. “Creating a structure that provides an opportunity for new capital combined with the sale of non-performing assets at book value that is both innovative and strategic. We very much appreciate the commitment by Fletcher and we very much welcome them as shareholders of United.”

“Community banks are the engines that power local economies, which, in turn, provide jobs, homes, and security to people around the country,” said Denis J. Kiely, Director of Fletcher Asset Management, Inc. “With these concurrent investments, we hope to free capital on United's balance sheet to allow it to continue and expand its investment in its communities and fulfillment of its mission.”

The securities transactions described above are subject to United’s shareholder approval pursuant to the Listing Requirements of the Nasdaq Global Select Market, which will be sought at United’s Annual Meeting of shareholders to be held on May 26, 2010. If shareholder approval is not received, the Securities Purchase Agreement provides that in no event will Fletcher be issued in excess of 19.99 percent of United’s outstanding common stock, that the preferred stock dividend rate would be LIBOR + 8 percent with a cap of 12 percent, and investments by Fletcher may be delayed. Further, the Securities Purchase Agreement contains a restriction that Fletcher may not own more that 9.75 percent of United’s outstanding common stock at any time.

About United Community Banks, Inc.

Headquartered in Blairsville, United Community Banks is the third-largest bank holding company in Georgia. United Community Banks has assets of $8.0 billion and operates 27 community banks with 107 banking offices located throughout north Georgia, the Atlanta region, coastal Georgia, western North Carolina and east Tennessee. The company specializes in providing personalized community banking services to individuals and small to mid-size businesses. United Community Banks also offers the convenience of 24-hour access through a network of ATMs, telephone and on-line banking. United Community Banks common stock is listed on the Nasdaq Global Select Market under the symbol UCBI. Additional information may be found at the company's web site at www.ucbi.com.

About Fletcher Asset Management, Inc.

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