

PENN ATTORNEYS

TITLE ALERT

DATE: 08/24/09

RE: Title Alert 2009-14

Colonial Bank Sale to BBT

Please see the below First American Home Office Underwriting Bulletin authored by Keith Pearson, VP & Associate Senior Underwriter. If you have any questions, please contact us.

A number of questions have arisen regarding the seizure of Colonial Bank by the FDIC and the subsequent sale of most of the assets of Colonial Bank by the FDIC as receiver, to Branch Banking and Trust Company (BB&T) of Winston-Salem, North Carolina. This bulletin is intended to answer many of them.

Background: After the seizure of Colonial Bank, the FDIC sold almost all of the assets of Colonial Bank to BB&T. The bank branches were not sold to BB&T, although BB&T received options for these. Other assets that are not pertinent to us as title insurers were held back as well.

REO Sales: Under 12 U.S.C. Sec. 1821 the FDIC is successor by operation of law (automatically with no further documentation) to all rights, titles, powers, and privileges of Colonial Bank. The FDIC as receiver for Colonial Bank has conveyed all assets (real, personal, or mixed) to BB&T by a Purchase and Assumption Agreement entered into August 14, 2009. There is no need to put the Purchase and Assumption Agreement of record in your land records. However, deeds of real estate held of record by Colonial should state in words similar to the following: Branch Banking and Trust Company, successor in title to the property described herein from Colonial Bank through Purchase and Assumption Agreement, dated August 14, 2009 on file with the Federal Deposit Insurance Corporation does hereby grant, sell, and convey to [Buyer] the following described property ...

Releases of Mortgages/Reconveyances of Deeds of Trust: The FDIC as receiver for Colonial Bank has conveyed to BB&T all assets including loans and security instruments securing the loan obligations. Releases of mortgages and deeds of trust can be done by BB&T as assignee from Colonial Bank pursuant to Purchase and Assumption Agreement dated August 14, 2009.

Payoff Demands: Payoff demands for mortgages should be requested from BB&T in the same manner and to the same place that requests were made to Colonial. Existing payoff demands previously furnished by Colonial may be relied upon until they expire by their terms.

Powers of Attorney: Any power of attorney executed by Colonial Bank as principal or appointing Colonial Bank as attorney-in-fact should not be relied upon without approval of Regional or State Counsel.

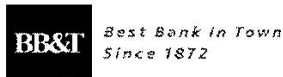
Loans in the Colonial Pipeline: A number of loans in process that were started by Colonial are going to be funded and closed by BB&T. Please see the attached Notice Regarding Loans Closed in the Name of Colonial Bank on or after August 17, 2009. Please attach this notice to the recorded loan documents as an exhibit or other attachment to memorialize who the true owner of the mortgage will be.

Title Alerts from 1997 to present are available on our website at: <http://www.pennattorneys.com>

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BRANCH BANKING AND TRUST COMPANY
200 WEST SECOND STREET
WINSTON-SALEM, NORTH CAROLINA 27101

**NOTICE REGARDING LOANS CLOSED IN THE NAME OF
COLONIAL BANK ON OR AFTER AUGUST 17, 2009**

[To be provided to any borrower who obtains a loan, line of credit or other extension of credit that is closed in the name of Colonial Bank on or after August 17, 2009 and to any guarantor of such credit]

ON AUGUST 14, 2009, THE STATE OF ALABAMA BANKING DEPARTMENT CLOSED COLONIAL BANK, MONTGOMERY, ALABAMA (THE "FAILED INSTITUTION"), AND APPOINTED THE FEDERAL DEPOSIT INSURANCE CORPORATION AS RECEIVER (THE "RECEIVER").

THE RECEIVER HAS ARRANGED FOR THE SALE OF CERTAIN ASSETS OF THE FAILED INSTITUTION TO BRANCH BANKING AND TRUST COMPANY ("BB&T"), WHICH HAS ALSO AGREED TO ASSUME CERTAIN LIABILITIES OF THE FAILED INSTITUTION.

EFFECTIVE AS OF AUGUST 17, 2009, ALL LOANS CLOSED IN THE NAME OF THE FAILED INSTITUTION ARE ACTUALLY BEING MADE BY BB&T AND NOT BY COLONIAL BANK EVEN THOUGH FOR A LIMITED PERIOD OF TIME, MANY OF THE LOAN DOCUMENTS EVIDENCING OR SECURING THESE LOANS WILL STILL SHOW COLONIAL BANK AS THE LENDER OR THE CREDITOR.

NOTWITHSTANDING ANYTHING IN THE PROMISSORY NOTE AND OTHER LOAN DOCUMENTS TO THE CONTRARY, ALL REFERENCES TO THE LENDER OR THE CREDITOR IN THE LOAN DOCUMENTS WILL BE DEEMED TO REFER TO AND MEAN BRANCH BANKING AND TRUST COMPANY, A NORTH CAROLINA BANKING CORPORATION, AND THE LOAN DOCUMENTS ARE HEREBY MODIFIED ACCORDINGLY.

BORROWERS WHO HAVE EXISTING LOANS WITH THE FAILED INSTITUTION WHICH BB&T AGREES TO ACQUIRE WILL RECEIVE A SEPARATE NOTICE FROM BB&T CONFIRMING BB&T'S ACQUISITION OF THE LOAN AND INDICATING WHERE AND HOW FUTURE LOAN PAYMENTS ARE TO BE MADE.

By signing below, each of the undersigned acknowledges that he, she or it has read and received a copy of this notice.

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