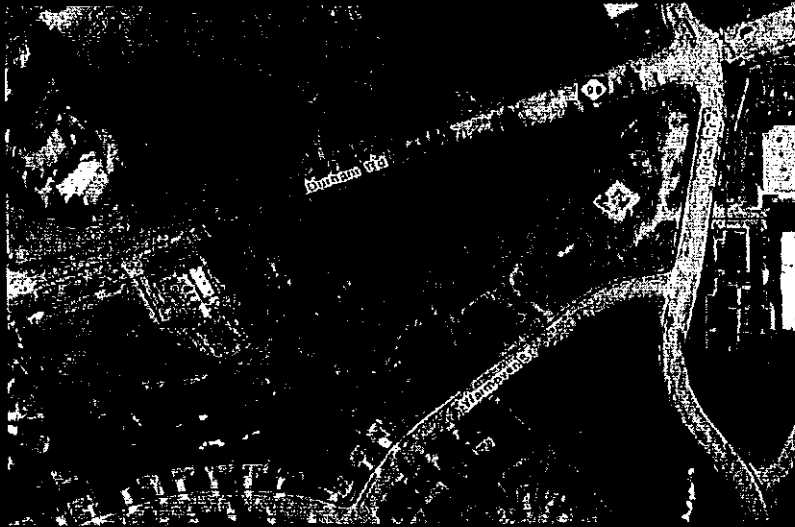


ValStone Group

P.O. Box 61280
Raleigh, North Carolina 27661



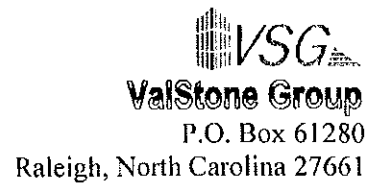
Appraisal Report

VACANT 4.20-ACRE COMMERCIAL PARCEL
LOCATED
NC HIGHWAY 98
IN WAKE FOREST, NORTH CAROLINA 27587
(PROJECT ID: 17-000934-01-1)

For

MS. VICTORIA BROWN
CAPITAL BANK
333 FAYETTEVILLE STREET
RALEIGH, NORTH CAROLINA 27601

VSC 11-17-16-000



June 21, 2017

Ms. Victoria Brown
Capital Bank
333 Fayetteville Street
Raleigh, North Carolina 27601

Re: Appraisal of the 4.20-acre vacant commercial parcel located on the south side of NC Highway 98 (Durham Road), approximately 125 LF west of its intersection with Retail Drive, in Wake Forest, North Carolina 27587 (Project ID 17-000934-01-1).

Dear Ms. Brown:

Pursuant to your request, we have prepared an Appraisal Report of the above referenced property. We have examined the physical property, inspected its neighborhood and analyzed the market for similar properties.

The client and intended user of this report is Capital Bank and/or affiliates. The purpose of this report is to provide an opinion of the Market Value, "As Is", of the Fee Simple Interest in the subject vacant parcel. The effective date of our Market Value, "As Is", is June 13, 2017, the date of our most recent inspection. It is our understanding that the intended use of this appraisal is for internal decision making purposes related to collateral lending. The scope of this report meets or exceeds the expectations of our client, who is the intender user of this and similar assignments, and meets or exceeds what our peer appraisers would produce in performing a similar assignment.

The subject comprises the 4.20-acre vacant commercial parcel located on the south side of NC Highway 98 (Durham Road), approximately 125 LF west of its intersection with Retail Drive, in Wake Forest, North Carolina 27587. It is identified by the Wake County Tax Assessor's Office as Parcel Identification Number 1831-40-5636. The subject parcel comprises approximately 4.20 acres, or 325,655 SF. A complete description of the subject parcels is included in the Site Description of the report.

We have based our site area calculations upon information obtained from public records and upon the plat dated April 9, 2014, entitled "Wake Forest Baptist Church & Wake Forest Granite, LLC", prepared by Cawthorne, Moss & Panciera, P.C., recorded in Book of Maps 2014, Page 538 of the Wake County Registry. This plat indicates "Tract 3" comprises 4.20 acres. A copy of this plat is included in the Site Description section of this report.

In the case of the subject property, since we are appraising land only, we have developed the Sales Comparison Approach only. The Sales Comparison Approach is based upon the principle of substitution, which implies that a prudent purchaser will not pay more for a property than it would cost to buy a comparable substitute property in a similar location.

The value opinions expressed in this appraisal report have been developed within the context of extraordinary assumptions described within the body of the report.

Subject to the conditions and explanations contained in the following report, and based on our analysis of the subject and the market, together with our experience appraising properties similar to the subject, it is our opinion that the **Market Value** of the **Fee Simple Interest** in the subject vacant parcel, "**As Is**", as of June 13, 2017, the date of our most recent inspection, is:

\$960,000
(NINE HUNDRED SIXTY THOUSAND DOLLARS)

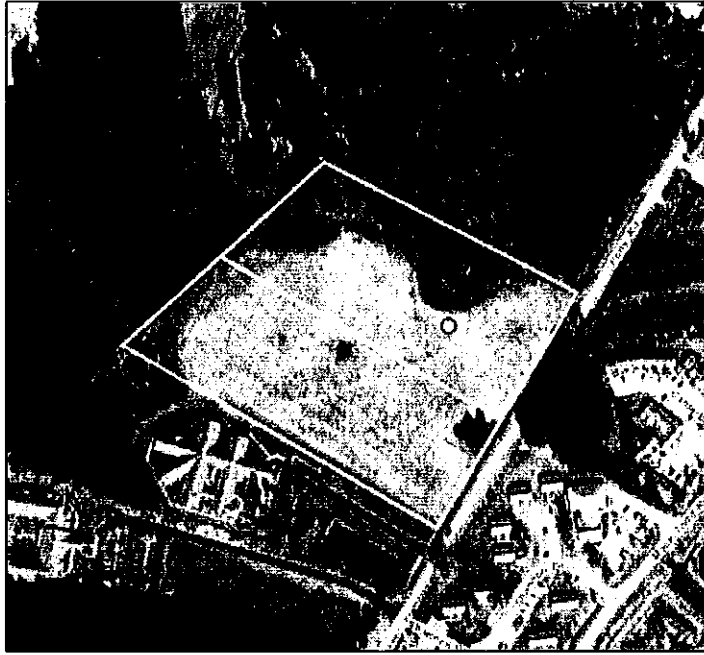
The following report presents the data, analyses and other materials that give support to our value conclusions. Within the report we provide a definition of *Market Value*, *Fee Simple Interest*, *Highest and Best Use*, and other appraisal terms used.

Please note that our opinion is not based on a requested minimum value, a specific valuation, or the approval of a loan amount.

The appraisal analysis, opinions and conclusions were developed and this appraisal report has been prepared in conformance with (and the use of this report is subject to) all regulations issued under Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA) and the Uniform Standards of Professional Appraisal Practice (USPAP) 2016 Edition as promulgated by the Appraisal Standards Board of the Appraisal Foundation in Washington DC. Under USPAP, this is an Appraisal Report.

The undersigned hereby certifies (i) that this appraisal conforms to the Uniform Standards of Professional Appraisal Practice (specifically Standards 1, 2, 3, 7, 8, 9, and 10) issued by the Appraisal Standards Board of the Appraisal Foundation, to the applicable provisions of Title XI of the Federal Financial Institution Reform Recovery, and Enforcement Act of 1989, 12 U.S.C. 3310, 3331-3351, and to the applicable regulations of the Federal Reserve System, 12 CFR Parts 208 and 225 and (ii) the undersigned holds the requisite license issued by the North Carolina Real Estate Appraiser Board to be able to perform this appraisal.

**AN APPRAISAL REPORT OF
11.269 ACRES OF RESIDENTIAL LAND
PROPOSED LOCATION OF THE "ZEBULON GREEN APARTMENTS"
LOCATED AT 351 & 451 PONY ROAD
IN ZEBULON, NORTH CAROLINA 27597**

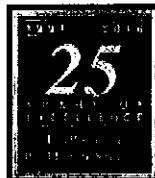


**AT THE REQUEST OF
UNITED DEVELOPERS, INC.
c/o MURRAY O. DUGGINS, CEO
2939 BREEZEWOOD AVENUE, SUITE 201
FAYETTEVILLE, NORTH CAROLINA 28305**

**EFFECTIVE DATE OF APPRAISAL
MARCH 6, 2018**

**REPORT DATE
MARCH 7, 2018**

**PREPARED BY
LEATHERMAN REAL ESTATE SERVICES, LLC
4006 BARRETT DRIVE, SUITE 201
RALEIGH, NORTH CAROLINA 27609**



Leatherman Real Estate Services

Real Estate Appraisers • Consultants • Brokers

4006 BARRETT DRIVE • SUITE 201 • RALEIGH, NORTH CAROLINA 27609
(919) 571-1244 (PHONE) • (919) 571-4661 (FAX)

Frank D. Leatherman, Jr., MAI, CCIM



March 7, 2018

United Developers, Inc.
c/o Murray O. Duggins, CEO
2939 Breezewood Avenue, Suite 201
Fayetteville, North Carolina 28305

RE: An appraisal of 11.269 acres of residential land located at 351 & 451 Pony Road
in Zebulon, North Carolina 27597

Parcel Identifiers: 0190619, 0190620 (Wake County)

Owner: Wise Developments, LLC

Dear Client:

Per your request, we have made the necessary inspection and analysis to appraise the above referenced property. The purpose of the following report is to provide an opinion of the market value of the fee simple interest in the property "as is" as of March 6, 2018; the last date of inspection. The function of this report is for internal planning purposes by United Developers, Inc. This appraisal is in an appraisal report format and has been completed in accordance with the Uniform Standards of Professional Appraisal Practice [Standards Rule 2-2 (a)] and the appropriate government oversight agencies. This type of report has an expanded level of detail. It details the information analyzed, the appraisal methods employed and the reasoning that supports the analyses, opinions and conclusions.

The property being appraised consists of 11.269 acres of residential land located at 351 & 451 Pony Road in Zebulon, North Carolina 27597. The Wake County real estate identification number of the subject parcels is 0190619 and 0190620. The property is currently owned by Wise Developments, LLC.

Value Conclusion

Based on the valuation analysis in the accompanying report, and subject to the definitions, assumptions and limiting conditions expressed in the report, it is our opinion that the market value of the fee simple interest of the 11.269 acres of residential land located at 351 & 451 Pony Road in Zebulon, North Carolina 27597 as of March 6, 2018, the last date of inspection, was as follows:

11.269 Acres= \$675,000

Extraordinary Assumptions

The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is uncertain information that is accepted as fact. If the assumption is found to be false as of the effective date of the appraisal, the conclusions of value provided within this appraisal report may become invalid.

- None

Hypothetical Conditions

The value conclusions are based on the following hypothetical conditions that may affect the assignment results. A hypothetical condition is a condition contrary to known fact on the effective date of the appraisal but is supposed for the purpose of analysis.

- None

Recommendations

Following this appraisal report, we recommend the following:

- Environmental Report
- Flood Survey
- ALTA Survey (Improvement)

Most Notable Facts

We feel as though the following facts are pertinent to the valuation of the subject and are detailed further throughout the appraisal report.

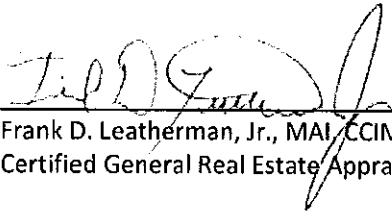
- The subject consists of 11.269 acres according to the survey located in the Wake County Register of Deeds (Book of Maps 1988, Page 24).
- The subject is under the Town of Zebulon ETJ and zoned RMF-SUD, Residential Multi-Family.
- The subject is currently under an option to purchase for \$650,000 or \$57,680/Acre by and between Wise Developments, LLC. (seller) and United Developers, Inc. (Buyer).
- After purchase the property is to be improved with at least a 72 unit apartment complex and corresponding site improvements known as "Zebulon Green Apartments." The buyer has approval from the town commissioners to complete this project.

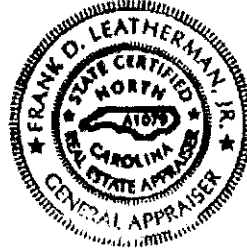
The Addenda located at the end of this report is incorporated and made part of this report. The opinion of value is supported by the data and the reasoning set forth in the attached narrative. Your attention is directed to the Assumptions and Limiting Conditions, Extraordinary Assumptions and Hypothetical Conditions attached and made part of this report. Neither our engagement to make this appraisal (or any future appraisals for this client), nor any compensation, are the cause of the client, the amount of the opinion of value, the attainment of a stipulated contemplated future interest in the property and that the fee for this assignment is in no way contingent upon the opinion of value concluded.

We have performed within the context of the competency provision of the Uniform Standards of Professional Appraisal Practice. This appraisal in an appraisal report format contains the supporting documentation, reasoning, analyses and conclusions.

Thank you for the opportunity of service. Please advise if you have any questions or comments.

Sincerely,


Frank D. Leatherman, Jr., MAI, CCIM
Certified General Real Estate Appraiser




Herman A. Leatherman
Registered Trainee

APPRAISAL REPORT

OF

4.88 ACRES SITE
FUTURE SITE OF THE ISLES OF WAKE
WAKE UNION CHURCH ROAD
WAKE FOREST, NORTH CAROLINA 27587



PREPARED FOR
GARDNER CAPITAL DEVELOPMENT NC, LLC
4803 SOUTH NATIONAL AVENUE
SPRINGFIELD, MISSOURI 65810

EFFECTIVE DATE OF APPRAISAL
MARCH 22, 2018

DATE OF REPORT
MARCH 27, 2018

PREPARED BY
TIMOTHY N. TALLENT, CCRA
STATE CERTIFIED GENERAL APPRAISER
TALLENT & ASSOCIATES
1036 BRANCHVIEW DRIVE, SUITE 204
CONCORD, NORTH CAROLINA 28025
704-787-9395

TALLENT AND ASSOCIATES

March 27, 2018

Gardner Capital Development NC, LLC
4803 South National Avenue
Springfield, Missouri

Re: 4.88 Acres Site, Future Site of The Isles of Wake, Wake Union Church Road, Wake Forest, North Carolina

Dear Sir or Madam:

Tallent and Associates Real Estate Services is pleased to submit the accompanying appraisal of the above referenced property. The purpose of the appraisal is to develop an opinion of the market value as is of the fee simple interest in the property. The client for this assignment is Gardner Capital Development NC, LLC, and the intended use is for asset valuation purposes.

The appraisal is intended to conform with the Uniform Standards of Professional Appraisal Practice (USPAP), the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, and applicable state appraisal regulations. The appraisal is also prepared in accordance with the appraisal regulations issued in connection with the Financial Institutions Reform, Recovery and Enforcement Act (FIRREA).

To report the assignment results, we use the Appraisal Report option of Standards Rule 2-2(a) of the current edition of USPAP. As USPAP gives appraisers the flexibility to vary the level of information in an Appraisal Report depending on the intended use and intended users of the appraisal, we adhere to our internal standards for an Appraisal Report – Standard Format. This type of report has a moderate level of detail. It summarizes the information analyzed, the appraisal methods employed, and the reasoning that supports the analyses, opinions, and conclusions. It meets or exceeds the former Summary Appraisal Report requirements that were contained in the previous edition of USPAP.

The accompanying report contains the information we have compiled in the preparation of your requested appraisal.

The report assumes that no environmental conditions exist. If, in the future, it is discovered that adverse environmental conditions exist, I reserve the right to revise the report and valuation conclusion, if necessary. I am not an expert in the environmental field and am not qualified to render a decision as to whether or not hazardous conditions exist.

Based on our inspection and analysis of the property, it is our opinion that the Market Value of the fee simple interest in the property, as of the date of inspection, March 22, 2018, is:

<p style="text-align: center;">\$1,405,000 ONE MILLION FOUR HUNDRED FIVE THOUSAND DOLLARS</p>

Thank you for the opportunity to be of service, and if any information or clarification is needed, please do not hesitate to contact our office.

Sincerely,
TALLENT & ASSOCIATES



Timothy N. Tallent
State Certified General Appraiser

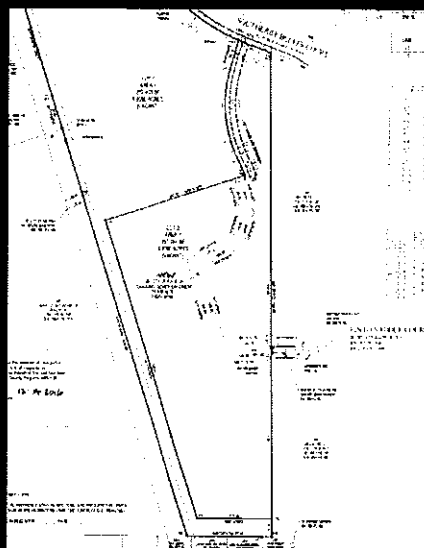


Valbridge
PROPERTY ADVISORS

Appraisal Report

Pennington Grove, Lot 2/Phase II
180 Southerby Bluffs Court
Garner, Wake County, North Carolina 27529

Report Date: March 7, 2018



FOR:

DHIC, Inc.
Ms. Natalie Britt
Vice President, Rental Development
113 South Wilmington Street
Raleigh NC 27601

**Valbridge Property Advisors |
Paramount Appraisal Group, Inc.**

412 E. Chatham Street
Cary, NC 27511
919-859-2666 phone
919-859-2667 fax
valbridge.com

Valbridge File Number:
NC02-18-0032-000



412 E. Chatham Street
Cary, NC 27511
919-859-2666 phone
919-859-2667 fax
valbridge.com

March 7, 2018

Robert Sherwood,
rsherwood@valbridge.com

Ms. Natalie Britt
Vice President, Rental Development
DHIC, Inc.
113 South Wilmington Street
Raleigh, NC 27601

RE: Appraisal Report
Pennington Grove, Lot 2/Phase II
180 Southerby Bluffs Court
Garner, Wake County, North Carolina 27529

Dear Ms. Britt:

In accordance with your request, we have performed an appraisal of the above referenced property. This appraisal report sets forth the pertinent data gathered, the techniques employed, and the reasoning leading to our value opinions. This letter of transmittal is not valid if separated from the appraisal report.

The subject property, as referenced above, is located on the south side of Southerby Bluffs Court, east and west of Pennington Grove Way and is further identified as Assessor's Parcel Number (PIN) 1710-46-9027; REID 0442656. The subject is a 5.91-acre or 257,264-square-foot site. The subject property is identified as Lot 2/Phase II of Pennington Grove, a proposed 79-unit senior Low-Income Housing Tax Credit (LIHTC) apartment development.

We developed our analyses, opinions, and conclusions and prepared this report in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation; the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute; the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA); and the requirements of our client as we understand them.

The client and intended user in this assignment is DHIC, Inc. as defined in the engagement letter. The intended use is for loan underwriting. The value opinions reported herein are subject to the definitions, assumptions and limiting conditions, and certification contained in this report.

The acceptance of this appraisal assignment and the completion of the appraisal report submitted herewith are subject to the General Assumptions and Limiting Conditions contained in the report. The findings and conclusions are further contingent upon the following extraordinary assumptions and/or hypothetical conditions which might have affected the assignment results:

Extraordinary Assumptions:

- None

Hypothetical Conditions:

- None

Based on the analysis contained in the following report, our value conclusions are summarized as follows:

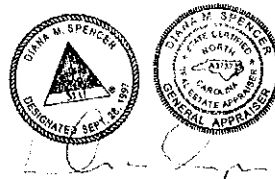
Value Conclusions

Component	As Is
Value Type	Market Value
Property Rights Appraised	Fee Simple
Effective Date of Value	February 28, 2018
Value Conclusion	\$685,000
\$8,700 per proposed unit or \$2.66 psf	

Respectfully submitted,
Valbridge Property Advisors | Paramount Appraisal Group, Inc.



Robert Sherwood
Appraiser Trainee
North Carolina, License #T6024
License Expires June 30, 2018
RSherwood@Valbridge.com



Diana Spencer, MAI, CCIM
Senior Managing Director
North Carolina License #A3737
License Expires June 30, 2018
dspencer@valbridge.com

**AN APPRAISAL REPORT OF
2.87 ACRES OF RESIDENTIAL LAND
LOCATED AT 216 BUCK JONES ROAD
IN RALEIGH, NORTH CAROLINA 27606**



AT THE REQUEST OF
EVERGREEN CONSTRUCTION COMPANY
c/o TIMOTHY G. MORGAN, VICE PRESIDENT
7706 SIX FORKS ROAD, SUITE 202
RALEIGH, NORTH CAROLINA 27615

EFFECTIVE DATE OF APPRAISAL
MARCH 9, 2017

REPORT DATE
MARCH 14, 2017

PREPARED BY
LEATHERMAN REAL ESTATE SERVICES, LLC
4006 BARRETT DRIVE, SUITE 201
RALEIGH, NORTH CAROLINA 27609



Leatherman Real Estate Services

Real Estate Appraisers • Consultants • Brokers

4006 BARRETT DRIVE • SUITE 201 • RALEIGH, NORTH CAROLINA 27609
(919) 571-1244 (PHONE) • (919) 571-4661 (FAX)

Frank D. Leatherman, Jr., MAI, CCIM



March 14, 2017

Evergreen Construction Company
c/o Timothy G. Morgan, Vice President
7706 Six Forks Road, Suite 202
Raleigh, North Carolina 27615

RE: An appraisal of 2.87 acres of residential land located at 216 Buck Jones Road in Raleigh, North Carolina 27615

Parcel Identifier: 0031370, 0031371 (Wake County)

Owner: Milton E. Hobbs and Ethyleene B. Hobbs, Trustee of the Hobbs Family Trust

Dear Client:

Per your request, we have made the necessary inspection and analysis to appraise the above referenced property. The purpose of the following report is to provide an opinion of the market value of the fee simple interest in the property "as is" as of March 9, 2017; the last date of inspection. The function of this report is for internal planning purposes by Evergreen Construction Company. This appraisal is in an appraisal report format and has been completed in accordance with the Uniform Standards of Professional Appraisal Practice [Standards Rule 2-2 (a)] and the appropriate government oversight agencies. This type of report has an expanded level of detail. It details the information analyzed, the appraisal methods employed and the reasoning that supports the analyses, opinions and conclusions.

The property being appraised consists of 2.87 acres of residential land located at 216 Buck Jones Road in Raleigh, North Carolina 27615. The Wake County real estate identification numbers of the subject parcel are 0031370 and 0031371. The property is currently owned by Milton E. Hobbs and Ethyleene B. Hobbs, Trustee of the Hobbs Family Trust.

Value Conclusion

Based on the valuation analysis in the accompanying report, and subject to the definitions, assumptions and limiting conditions expressed in the report, it is our opinion that the market value of the fee simple interest of the 2.87 acres of residential land located at 216 Buck Jones Road in Raleigh, North Carolina 27606 as of March 9, 2017, the last date of inspection, was as follows:

2.87 Acres= \$750,000

Extraordinary Assumptions

The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is uncertain information that is accepted as fact. If the assumption is found to be false as of the effective date of the appraisal, the conclusions of value provided within this appraisal report may become invalid.

- We are assuming the size of the subject to be 2.87 acres based on information from the purchase contract. We recommend an ALTA survey prior to any transfer of property.

Hypothetical Conditions

The value conclusions are based on the following hypothetical conditions that may affect the assignment results. A hypothetical condition is a condition contrary to known fact on the effective date of the appraisal but is supposed for the purpose of analysis.

- None

Recommendations

Following this appraisal report, we recommend the following:

- Environmental Report
- Flood Survey
- ALTA Survey (Improvement)

Most Notable Facts

We feel as though the following facts are pertinent to the valuation of the subject and are detailed further throughout the appraisal report.

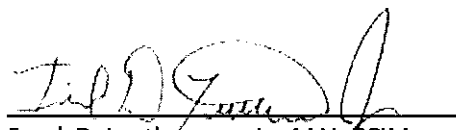
- The subject consists of 2.87 acres according to information from the purchase contract.
- The subject is under the City of Raleigh ETJ and R-10, Residential-10.
- The improvement located on the subject has been excluded from this appraisal report because it has no contributing value over and above that of the underlying land.
- The subject is currently under contract for \$650,000 or \$5.11/SF by and between Thomas N. Hobbs, Trustee and Ethyleene B. Hobbs (seller) and Evergreen Construtrion Co. Inc. (buyer).
- There was an acquisition by the City of Raleigh of 0.04 acres for the widening of Buck Jones Road. However, 0.04 acres was returned with the closing of Burton Avenue. Therefore, the acreage remains at 2.87 acres.
- The subject was never on the open market before going under contract.

The Addenda located at the end of this report is incorporated and made part of this report. The opinion of value is supported by the data and the reasoning set forth in the attached narrative. Your attention is directed to the Assumptions and Limiting Conditions, Extraordinary Assumptions and Hypothetical Conditions attached and made part of this report. Neither our engagement to make this appraisal (or any future appraisals for this client), nor any compensation, are the cause of the client, the amount of the opinion of value, the attainment of a stipulated contemplated future interest in the property and that the fee for this assignment is in no way contingent upon the opinion of value concluded.

We have performed within the context of the competency provision of the Uniform Standards of Professional Appraisal Practice. This appraisal in an appraisal report format contains the supporting documentation, reasoning, analyses and conclusions.

Thank you for the opportunity of service. Please advise if you have any questions or comments.

Sincerely,


Frank D. Leatherman, Jr., MAI, CCIM
Certified General Real Estate Appraiser




Herman A. Leatherman
Registered Trainee