

**AHD INVESTORS, LLC**  
**CONVERTIBLE DEBENTURE PURCHASE AGREEMENT**

**THIS INVESTMENT INVOLVES A HIGH DEGREE OF RISK.** THIS INVESTMENT IS SUITABLE ONLY FOR PERSONS WHO CAN BEAR THE ECONOMIC RISK FOR AN INDEFINITE PERIOD OF TIME AND WHO CAN AFFORD TO LOSE THEIR ENTIRE INVESTMENT. FURTHERMORE, INVESTORS MUST UNDERSTAND THAT THIS INVESTMENT IS ILLIQUID AND IS EXPECTED TO CONTINUE TO BE ILLIQUID FOR AN INDEFINITE PERIOD OF TIME. NO PUBLIC MARKET EXISTS FOR THE SECURITIES, AND NO PUBLIC MARKET IS EXPECTED TO DEVELOP FOLLOWING THIS OFFERING.

**THE SECURITIES OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR ANY STATE SECURITIES OR BLUE SKY LAWS AND ARE BEING OFFERED AND SOLD IN RELIANCE ON EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND STATE SECURITIES OR BLUE SKY LAWS.** ALTHOUGH AN OFFERING STATEMENT HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION (THE “SEC”), THAT OFFERING STATEMENT DOES NOT INCLUDE THE SAME INFORMATION THAT WOULD BE INCLUDED IN A REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND IT IS NOT REVIEWED IN ANY WAY BY THE SEC. THE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SEC, ANY STATE SECURITIES COMMISSION OR OTHER REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON THE MERITS OF THIS OFFERING OR THE ADEQUACY OR ACCURACY OF THE SUBSCRIPTION AGREEMENT OR ANY OTHER MATERIALS OR INFORMATION MADE AVAILABLE TO THE PROSPECTIVE INVESTOR IN CONNECTION WITH THIS OFFERING OVER THE WEB-BASED PLATFORM MAINTAINED BY VINCINITY CAPITAL, GREENVILLE, SOUTH CAROLINA (THE “INTERMEDIARY”). ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

**INVESTORS ARE SUBJECT TO LIMITATIONS ON THE AMOUNT THEY MAY INVEST.** THE COMPANY IS RELYING ON THE REPRESENTATIONS AND WARRANTIES SET FORTH BY EACH PROSPECTIVE INVESTOR IN THIS CONVERTIBLE DEBENTURE PURCHASE AGREEMENT AND THE OTHER INFORMATION PROVIDED BY THE PROSPECTIVE INVESTOR SUBSCRIBER IN CONNECTION WITH THIS OFFERING TO DETERMINE THE APPLICABILITY TO THIS OFFERING OF EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

**PROSPECTIVE INVESTORS MAY NOT TREAT THE CONTENTS OF THIS CONVERTIBLE DEBENTURE PURCHASE AGREEMENT, THE OFFERING STATEMENT OR ANY OF THE OTHER MATERIALS REGARDING THE COMPANY ON THE INTERMEDIARY’S WEBSITE (COLLECTIVELY, THE “OFFERING MATERIALS”) OR ANY COMMUNICATIONS FROM THE COMPANY OR ANY OF ITS OFFICERS, EMPLOYEES OR AGENTS AS INVESTMENT, LEGAL OR TAX ADVICE.** IN MAKING AN INVESTMENT DECISION, PROSPECTIVE INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE COMPANY AND THE TERMS OF THIS OFFERING AS CONTAINED IN THE OFFERING MATERIALS, INCLUDING THE MERITS

AND THE RISKS INVOLVED. EACH PROSPECTIVE INVESTOR SHOULD CONSULT THE INVESTOR'S OWN COUNSEL, ACCOUNTANT AND OTHER PROFESSIONAL ADVISOR AS TO INVESTMENT, LEGAL, TAX AND OTHER RELATED MATTERS CONCERNING THE PROSPECTIVE INVESTOR'S PROPOSED INVESTMENT.

**THE OFFERING MATERIALS MAY CONTAIN FORWARD-LOOKING STATEMENTS AND INFORMATION RELATING TO, AMONG OTHER THINGS, THE COMPANY, ITS BUSINESS PLAN AND STRATEGY, AND ITS INDUSTRY.** THESE FORWARD-LOOKING STATEMENTS ARE BASED ON THE BELIEFS OF, ASSUMPTIONS MADE BY, AND INFORMATION CURRENTLY AVAILABLE TO THE COMPANY'S MANAGEMENT. WHEN USED IN THE OFFERING MATERIALS, THE WORDS "ESTIMATE," "PROJECT," "PLAN," "BELIEVE," "ANTICIPATE," "INTEND," "EXPECT" AND SIMILAR EXPRESSIONS ARE INTENDED TO IDENTIFY FORWARD-LOOKING STATEMENTS, WHICH CONSTITUTE FORWARD LOOKING STATEMENTS. THESE STATEMENTS REFLECT MANAGEMENT'S CURRENT VIEWS WITH RESPECT TO FUTURE EVENTS AND ARE SUBJECT TO RISKS AND UNCERTAINTIES THAT COULD CAUSE THE COMPANY'S ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE CONTAINED IN THE FORWARD-LOOKING STATEMENTS. INVESTORS ARE CAUTIONED NOT TO PLACE UNDUE RELIANCE ON THESE FORWARD-LOOKING STATEMENTS, WHICH SPEAK ONLY AS OF THE DATE ON WHICH THEY ARE MADE. THE COMPANY DOES NOT UNDERTAKE ANY OBLIGATION TO REVISE OR UPDATE THESE FORWARD-LOOKING STATEMENTS TO REFLECT EVENTS OR CIRCUMSTANCES AFTER SUCH DATE OR TO REFLECT THE OCCURRENCE OF UNANTICIPATED EVENTS.

**THE INFORMATION REGARDING THE COMPANY CONTAINED IN THE OFFERING MATERIALS WAS PREPARED BY THE COMPANY SOLELY FOR THE USE BY PROSPECTIVE INVESTORS IN CONNECTION WITH THIS OFFERING.** NO REPRESENTATIONS OR WARRANTIES ARE MADE AS TO THE COMPANY EXCEPT AS CONTAINED IN THIS PURCHASE AGREEMENT, AND NOTHING CONTAINED IN THE OFFERING MATERIALS IS OR SHOULD BE RELIED UPON AS A PROMISE OR REPRESENTATION AS TO THE FUTURE PERFORMANCE OF THE COMPANY.

EXCEPT AS OTHERWISE INDICATED, THE OFFERING MATERIALS SPEAK AS OF THEIR DATE. NEITHER THE DELIVERY NOR THE PURCHASE OF THE SECURITIES SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE COMPANY SINCE THAT DATE.

**THE COMPANY RESERVES THE RIGHT IN ITS SOLE DISCRETION AND FOR ANY REASON WHATSOEVER TO MODIFY, AMEND AND/OR WITHDRAW ALL OR A PORTION OF THE OFFERING AND/OR ACCEPT OR REJECT IN WHOLE OR IN PART ANY PROSPECTIVE INVESTMENT IN THE SECURITIES OR TO ALLOT TO ANY PROSPECTIVE INVESTOR LESS THAN THE AMOUNT OF SECURITIES SUCH PROSPECTIVE INVESTOR DESIRES TO PURCHASE FOR ANY REASON OR NO REASON.**

## AHD INVESTORS, LLC

### CONVERTIBLE DEBENTURE PURCHASE AGREEMENT

This Convertible Debenture Purchase Agreement (the “*Purchase Agreement*”), dated as of \_\_\_\_\_, is entered into by and among, AHD Investors, LLC, a North Carolina limited liability company (the “*Company*”), and the persons and entities listed on Exhibit A hereto (hereinafter referred to individually as a “*Purchaser*” and collectively as the “*Purchasers*”).

WHEREAS, the Company desires to enter into this Purchase Agreement with the Purchasers to raise capital through the sale and issuance to the Purchasers of convertible debentures in substantially the form attached hereto as Exhibit B (each a “*Debenture*” and collectively the “*Debentures*”); and

WHEREAS, the net proceeds raised under this Purchase Agreement will be loaned by the Company (the “*Loan*”) to Albemarle Hotel Development, LLC (“*Parent*”), the parent entity of the Company, to assist in the redevelopment of the Albemarle Hotel in Albemarle, North Carolina (the “*Project*”); and

WHEREAS, each Purchaser desires to enter into this Purchase Agreement to acquire the Debentures on the terms and conditions set forth herein; and

WHEREAS, to provide for its ownership rights to and the governance of the Company, each Purchaser desires to enter into a Limited Liability Company Operating Agreement with the Company and all other Purchasers (the “*Operating Agreement*”), which Operating Agreement will not become a binding obligation of a Purchaser unless and until the Debenture purchased by the Purchaser converts into Units (as defined herein) in accordance with the terms of the Purchaser’s Debenture; and

WHEREAS, the Debentures are being offering in a transaction exempt from registration under the Securities Act of 1933, as amended (the “*Securities Act*”) pursuant to Section 4(a)(6) of the Securities Act, through a crowdfunding offering with Vicinity Capital acting as intermediary (the “*Intermediary*”) by means of a crowdfunding offering statement on Form C (the “*Offering Statement*”), filed with the Securities and Exchange Commission (the “*SEC*”) and available on the Intermediary’s website portal as well as by means of other information on the website of the Intermediary.

NOW, THEREFORE, in consideration of the mutual promises, representations, warranties, covenants and conditions set forth in this Purchase Agreement, each party to this Purchase Agreement mutually agrees as follows:

1. Authorization and Sale.

1.1 Authorization. The Company has authorized the issuance and sale of Debentures up to the aggregate principal amount of \$5,000,000, convertible into membership units of the Company (the “*Units*”) pursuant to the terms thereof (any Units of the Company issuable upon conversion of the Debentures shall be referred to herein as the “*Underlying Units*”).

1.2 Sale. Subject to the terms and conditions hereof, each Purchaser agrees to purchase from the Company, and the Company agrees to sell and issue to each Purchaser, the Debenture(s) in the principal amount as set forth opposite such Purchaser's name on Exhibit A.

2. Closings; Delivery.

2.1 Initial Closing. The initial closing of the purchase and sale of Debentures (the "**Initial Closing**") shall take place remotely via the exchange of documents and signatures, at 10:00 a.m. Eastern Time on the date of this Purchase Agreement, or at such other time and place as the Company and the Purchasers purchasing Debentures in the Initial Closing may mutually agree.

2.2 Additional Closings. At any time on or prior to June 30, 2021 (the "**Final Closing Date**"), the Company may elect to sell and issue to one or more Purchasers or to other persons or entities approved by the Company (the "**Additional Purchasers**") in one or more subsequent closings (each, an "**Additional Closing**" and, together with the Initial Closing, each, a "**Closing**"), additional Debentures (the "**Additional Debentures**"); provided, however, that the aggregate principal amount of all Debentures and all Additional Debentures issued pursuant to this Purchase Agreement does not exceed \$5,000,000 in the aggregate. Any sales of Additional Debentures will be made upon the same terms and conditions as those contained herein, and each Additional Purchaser purchasing Additional Debentures will become a party to this Purchase Agreement by executing a counterpart signature page to this Purchase Agreement. Any Additional Debentures sold and issued pursuant to this Section 2.2 will be deemed "Debentures" for all purposes under this Purchase Agreement, and each Additional Purchaser will be deemed a "Purchaser" for all purposes of this Purchase Agreement. Should any sale of Additional Debentures be made, the Company, in connection with the Closing of such sale, will prepare a revised Exhibit A to this Purchase Agreement reflecting such purchase and sale.

2.3 Subscription Procedures. The purchase price for the Debentures shall be paid simultaneously with the execution and delivery to the Company of the signature page of this Purchase Agreement, which signature and delivery may take place through digital online means. Each Purchaser shall deliver a signed copy of this Purchase Agreement, along with payment for the aggregate purchase price of the Debenture(s) set opposite its name on Exhibit A in accordance with the online payment process established by the Intermediary. Payment for the Debentures shall be received by North Capital Private Securities (the "**Escrow Agent**") from the Purchaser by transfer of immediately available funds or other means approved by the Company prior to the applicable Closing, in the amount set opposite the Purchaser's name as set forth on Exhibit A hereto and otherwise in accordance with the Intermediary's payment processing instructions. Upon the Initial Closing and each Additional Closing, the Escrow Agent shall release such funds to the Company and each Purchaser shall receive notice and evidence of the digital entry of the Debenture purchased as reflected on the books and records of the Company.

2.4 Delivery. At each Closing, subject to the terms and conditions hereof, the Company will deliver to each Purchaser a Debenture to be purchased by such Purchaser from the Company, dated the date of such Closing.

2.5 Cancellation Rights. After execution of this Purchase Agreement, each Purchaser has the right to cancel its subscription in accordance with Regulation Crowdfunding promulgated under the Securities Act (“**Regulation Crowdfunding**”) and as set forth in the Offering Statement.

3. Company and Parent Representations. The Company, on behalf of itself and Parent, hereby represents and warrants to each Purchaser in a Closing that the following representations are true and complete as of the date of each Closing, except as otherwise indicated.

3.1 Authorization. All organizational action on the part of the Company, its officers, Board and managers necessary for the authorization, execution and delivery of the Purchase Agreement, the Debentures and the Operating Agreement (together, the “**Transaction Documents**”), the performance of all obligations of the Company hereunder and thereunder, and the authorization, issuance (or reservation for issuance), sale and delivery of the Debentures (and the Underlying Units upon conversion of the Debentures) has been taken or, in the case of the Underlying Units issuable upon conversion of the Debentures, will be taken prior to the issuance of such Underlying Units. The Transaction Documents, including the Debentures, when executed and delivered by the Company, shall constitute valid and legally binding obligations of the Company, enforceable against the Company in accordance with their terms except: (1) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, and other laws of general application affecting enforcement of creditors’ rights generally, or (2) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies. The Company has all requisite legal and organizational power to execute and deliver the Transaction Documents, including the Debentures, and to carry out and perform its obligations hereunder and thereunder. The Company is eligible to make an offering under Section 4(a)(6) of the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder (collectively, the “**Securities Act**”).

3.2 Valid Issuance of the Debentures. The Debentures and the Underlying Units, when issued, sold and delivered in accordance with the terms hereof and thereof for the consideration expressed herein, will be duly and validly issued and free of restrictions on transfer other than restrictions on transfer under the Transaction Documents, and applicable state and federal securities laws. Based in part upon the representations of the Purchasers in this Purchase Agreement, the Debentures and the Underlying Units will be issued in compliance with all applicable federal and state securities laws.

3.3 Consents. No consent, approval, order or authorization of, or registration, qualification, designation, declaration or filing with, any federal, state or local governmental authority on the part of the Company is required in connection with the execution and delivery of the Transaction Documents and the consummation of the transactions contemplated by the Transaction Documents, except for such filings as may be required under Section 4(a)(6) of the Securities Act or the rules promulgated thereunder by the SEC or under any applicable states securities laws, or such post-closing filings as may be required under applicable state securities laws, which will be timely filed within the applicable periods therefor.

3.4 Compliance with Other Instruments. Neither the Company nor Parent is in violation or default of (1) any material provision of the Operating Agreement or (2) any provision of (A) any material mortgage, indenture, contract, agreement or instrument (each, a “**Material**

*Contract*”) to which it is a party or by which it is bound or (B) to its knowledge, any statute, rule or regulation applicable to the Company or Parent. The execution, delivery and performance of the Transaction Documents and the consummation of the transactions contemplated hereby and thereby will not result in any violation or be in conflict with or constitute, with or without the passage of time and giving of notice, a default under any Material Contract.

3.5 Proceeds. The Company shall use the proceeds from the issuance and sale of the Debentures, and Parent shall use the proceeds from the Loan, as set forth in the Offering Statement.

3.6 Tax Returns and Payments. There are no federal, state, county, local or foreign taxes due and payable by the Company or Parent which have not been timely paid. There are no accrued and unpaid federal, state, county, local or foreign taxes of the Company or Parent which are due, whether or not assessed or disputed. There have been no examinations or audits of any of the Company’s or Parent’s tax returns or reports by any applicable federal, state, local or foreign governmental agency. The Company and Parent each has duly and timely filed all federal, state, county, local and foreign tax returns required to have been filed by it and there are in effect no waivers of applicable statutes of limitations with respect to taxes for any year.

3.7 Financial Statements. Complete copies of (a) the Company’s financial statements consisting of the statement of financial position of the Company as of February 28, 2021 and the related statements of income and cash flows for the year ended December 31, 2020 and the two months ended February 28, 2021, and (b) the Parent’s financial statements consisting of the statement of financial position of the Company as of December 31, 2019 and the related statements of income and cash flows for the two-year period ended December 31, 2019 (collectively, the “Financial Statements”) have been made available to the Purchaser in the Offering Materials. The Financial Statements are based on the books and records of the Company and Parent, respectively, and fairly present the financial condition of the Company and Parent, respectively, as of the respective dates they were prepared and the results of the operations and cash flows of the Company and Parent for the periods indicated. Jason M. Tyra, CPA, LLC, which has reviewed the Financial Statements, is an independent accounting firm within the rules and regulations adopted by the SEC. The Financial Statements comply with the requirements of Rule 201 of Regulation Crowdfunding.

3.8 Assets. The assets of the Company and Parent are as set forth in the Financial Statements. After the Final Closing Date, the only material asset of the Company will be the Loan.

3.9 Liabilities. Neither the Company nor Parent has any indebtedness, obligations or liabilities (whether accrued, absolute, contingent, unliquidated or otherwise, whether due or to become due and regardless of when or by whom asserted) at or as of the Closing date, except (i) trade payables incurred in the ordinary course of business, and (ii) obligations under contracts or commitments existing on the date hereof, in each case, none of which are in default or otherwise past due.

3.10 Litigation. There is no claim, action, suit, proceeding, arbitration, complaint, charge or investigation pending or to the Company's knowledge, currently threatened against the Company or Parent or any officer, director or employee of the Company or Parent.

4. Investment Representations. At each Closing, each Purchaser hereby represents and warrants to the Company with respect to such Purchaser (and not as to any other Purchaser) as follows:

4.1 Offering Materials and Disclosure. The Purchaser has received and reviewed the Transaction Documents and the Offering Materials. Purchaser understands that the Company is subject to all the risks that apply to early-stage companies, whether or not those risks are explicitly set out in the Offering Materials. Purchaser acknowledges that except as set forth in this Purchase Agreement, no representations or warranties have been made to Purchaser, or to Purchaser's advisors or representatives, by the Company or others with respect to the business or prospects of the Company or its financial condition.

4.2 Power and Authority. The Purchaser has the requisite power and authority to enter into the Purchase Agreement and the Operating Agreement and to purchase the Debenture(s) subject to all of the terms and conditions of thereof and to carry out and perform all of its obligations under the terms of the Purchase Agreement and the Operating Agreement.

4.3 Domicile. The Purchaser maintains Purchaser's domicile (and is not a transient or temporary resident) at the address shown under its name on Exhibit A hereto.

4.4 Due Execution. The Purchase Agreement and the Operating Agreement have been duly authorized, executed and delivered by the Purchaser, and, upon due execution and delivery by the Company, each of the Purchase Agreement and the Operating Agreement, at the time of the conversion of the Purchaser's Debenture(s) into Underlying Units, will be a valid and legally binding obligation of the Purchaser, enforceable against the Purchaser in accordance with its respective terms except: (1) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, and other laws of general application affecting enforcement of creditors' rights generally, or (2) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies.

4.5 Investment Limits. Purchaser represents that the principal amount of Debentures to be purchased hereunder is within the investment limits as set forth in the Offering Materials.

4.6 Resales. Purchaser agrees that during the one-year period beginning on the date on which it acquired a Debenture pursuant to this Purchase Agreement, it shall not transfer such Debenture or any Underlying Units except:

- (i) To the Company;
- (ii) To an "accredited investor" within the meaning of Rule 501 of Regulation D under the Securities Act;



- (iii) As part of an offering registered under the Securities Act with the SEC; or
- (iv) To a member of the Purchaser's family or the equivalent, to a trust controlled by the Purchaser, to a trust created for the benefit of a member of the family of the Purchaser or equivalent, or in connection with the death or divorce of the Purchaser or other similar circumstance.

4.7 No Registration. The Purchaser understands that neither the Debentures nor the Underlying Units have been registered under the Securities Act. Purchaser also understands that the Debentures and the Underlying Units are being offered and sold pursuant to an exemption from registration contained in the Securities Act based in part upon Purchaser's representations contained in this Purchase Agreement. The Purchaser understands that the Debentures and the Underlying Units may not be sold, transferred or otherwise disposed of without registration under the Securities Act or an exemption therefrom, and that in the absence of an effective registration statement covering the Debentures or the Underlying Units or an available exemption from registration under the Securities Act, the Debentures and the Underlying Units must be held in accordance with the requirements of Regulation Crowdfunding.

4.8 Legends.

(a) Purchaser understands that each instrument and certificate representing a Debenture or the Underlying Units will be endorsed with a legend substantially as follows (in addition to any other applicable legends):

**THIS INSTRUMENT AND THE SECURITIES ISSUABLE UPON THE CONVERSION HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"). THEY MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED, HYPOTHECATED, OR OTHERWISE TRANSFERRED EXCEPT IN COMPLIANCE WITH THE ACT. FOR ONE YEAR FROM THE DATE OF THIS INSTRUMENT, THIS INSTRUMENT AND THE SECURITIES ISSUABLE UPON THE CONVERSION HEREOF, WHICH WERE SOLD IN RELIANCE ON REGULATION CROWDFUNDING UNDER THE ACT, MAY ONLY BE TRANSFERRED TO THE COMPANY, TO AN "ACCREDITED INVESTOR" WITHIN THE MEANING OF RULE 501 OF REGULATION D UNDER THE ACT, AS PART OF AN OFFERING REGISTERED UNDER THE SECURITIES ACT WITH THE SECURITIES AND EXCHANGE COMMISSION (THE "SEC"), OR TO A MEMBER OF INVESTOR'S FAMILY OR THE EQUIVALENT, TO A TRUST CONTROLLED BY THE INVESTOR, TO A TRUST CREATED FOR THE BENEFIT OF A MEMBER OF THE FAMILY OF THE INVESTOR OR EQUIVALENT, OR IN CONNECTION WITH THE DEATH OR DIVORCE OF THE INVESTOR OR OTHER SIMILAR CIRCUMSTANCE. THIS INSTRUMENT AND THE SECURITIES ISSUABLE UPON CONVERSION HEREOF HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SEC, ANY STATE SECURITIES COMMISSION OR OTHER REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON THE MERITS OF THIS OFFERING OR THE ADEQUACY OR ACCURACY OF THE SUBSCRIPTION AGREEMENT OR ANY OTHER MATERIALS OR INFORMATION MADE AVAILABLE TO INVESTOR IN CONNECTION WITH THIS OFFERING. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.**

(b) In addition to the legend set forth in Section 4.8(a) above, the certificates representing the Debenture and the Underlying Units will be endorsed with the following legend:

THE SECURITIES REPRESENTED BY THIS INSTRUMENT ARE SUBJECT TO A DEBENTURE PURCHASE AGREEMENT AND A LIMITED LIABILITY COMPANY OPERATING AGREEMENT AND TO THE RESTRICTIONS CONTAINED THEREIN, INCLUDING RESTRICTIONS UPON TRANSFER. A COPY OF SUCH AGREEMENTS WILL BE FURNISHED TO ANY INTERESTED PARTY UPON WRITTEN REQUEST, WITHOUT CHARGE.

4.9 No Public Market. The Purchaser understands that no public market now exists for any of the securities issued by the Company (including but not limited to the Debentures or the Underlying Units) and that there is no assurance that a market for their resale will ever exist. Purchaser must bear the economic risk of this investment indefinitely and the Company has no obligation to list the Debentures or the Underlying Units on any market or take any steps (including registration under the Securities Act or the Securities Exchange Act of 1934, as amended) with respect to facilitating trading or resale of such securities. Purchaser acknowledges that Purchaser is able to bear the economic risk of losing its entire investment. Purchaser also understands that an investment in the Company involves significant risks and has taken full cognizance of and understands all of the risk factors relating to the purchase of Debentures.

4.10 Finders' Fees. The Purchaser (i) represents and warrants that it has retained no finder or broker in connection with the transactions contemplated by the Transaction Documents, and (ii) hereby agrees to indemnify and to hold the Company and any other Purchaser harmless of and from any liability for any commission or compensation in the nature of a finder's fee to any broker or other person or firm (and the costs and expenses of defending against such liability or asserted liability) for which such Purchaser or any of its employees or representatives are responsible.

4.11 Residence. The Purchaser is a legal resident of, and makes its, his or her principal legal residence or office in, the state set forth opposite its, his or her name on Exhibit A and made all decisions relating to the transaction contemplated by the Transaction Documents in such state.

4.12 Tax Matters. The Purchaser has reviewed with its own tax advisors the federal, state, local and foreign tax consequences of this investment and the transactions contemplated by the Transaction Documents. With respect to such matters, the Purchaser has relied solely on such advisors and not on any statements or representations of the Company or any of its agents or representatives. The Purchaser understands that it (and not the Company) shall be responsible for its own tax liability that may arise as a result of this investment or the transactions contemplated by the Transaction Documents.

4.13 Conversion. The Purchaser agrees and acknowledges that if the Debentures held by it are converted into Underlying Units, the Purchaser will enter into any and all documents reasonably requested by the Company.

4.14 Oral Statements. IN MAKING AN INVESTMENT DECISION WITH RESPECT TO THE DEBENTURE AND THE UNDERLYING UNITS, PURCHASER IS NOT RELYING ON ORAL STATEMENTS MADE BY REPRESENTATIVES OF THE COMPANY, ANY OF ITS AFFILIATES, OR ANY OTHER PERSON. PURCHASER'S INVESTMENT DECISION IS BASED SOLELY ON WRITTEN INFORMATION PROVIDED BY THE COMPANY IN THIS AGREEMENT AND THE OFFERING MATERIALS.

5. Conditions to the Purchasers' Obligations at Closing. The obligations of the Purchaser to purchase Debentures at the Initial Closing or any Additional Closing are subject to the fulfillment, on or before such Closing, of each of the following conditions, unless otherwise waived:

5.1 Representations and Warranties. Solely with respect to the Initial Closing, the representations and warranties of the Company and Parent contained in Section 3 shall be true and correct in all material respects as of the date of the Initial Closing. Solely with respect to any Additional Closing, each of the representations and warranties of the Company and Parent set forth in Section 3 hereof shall be true and correct in all material respects as of such Additional Closing with the same force and effect as though such representations and warranties had been made as of such Additional Closing, except that in connection with such Additional Closing the Company may amend or supplement Exhibit A to reflect changes since the Initial Closing.

5.2 Performance. The Company shall have performed and complied with all covenants, agreements, obligations and conditions contained in this Purchase Agreement that are required to be performed or complied with by it on or before such Closing.

6. Conditions to the Company's Obligations at Closing. The obligations of the Company to sell Debentures to the Purchaser at each Closing are subject to the fulfillment, on or before such Closing, of each of the following conditions, unless otherwise waived:

6.1 Representations and Warranties. The representations and warranties of the Purchaser contained in Section 4 shall be true and correct in all material respects as of the Closing.

6.2 Performance. The Purchaser shall have performed and complied with all covenants, agreements, obligations and conditions contained in this Purchase Agreement that are required to be performed or complied with by it on or before the Closing.

7. Miscellaneous.

7.1 Entire Agreement; Transfer. This Purchase Agreement (including the Exhibits) and the other Transaction Documents constitute the entire agreement among the parties, and no party shall be liable or bound to any other party in any manner by any warranties, representations or covenants except as specifically set forth herein or therein. The terms and conditions of this Purchase Agreement shall inure to the benefit of and be binding upon the

successors and permitted assigns of the parties. Nothing in this Purchase Agreement, express or implied, is intended to confer upon any third party any rights, remedies, obligations or liabilities under or by reason of this Purchase Agreement, except as expressly provided in this Purchase Agreement. No Transaction Document, including this Purchase Agreement, may be transferred by any party thereto except in accordance with the terms thereof and in compliance will applicable federal and state securities laws.

7.2 Governing Law. This Purchase Agreement shall be enforced, governed and construed in all respects in accordance with the laws of the State of North Carolina, as such laws are applied by North Carolina courts to agreements entered into and to be performed in North Carolina, without regard to conflict of law principles.

7.3 Counterparts. This Purchase Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including .pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docuSign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

7.4 Construction. The headings used in this Purchase Agreement are used for convenience only and are not to be considered in construing or interpreting this Purchase Agreement. All words in the Purchase Agreement will be construed to be of such gender or number as the circumstances require.

7.5 Notices. Any notice required or permitted under this Purchase Agreement shall be given in writing and shall be deemed effectively given upon personal delivery or upon deposit with the United States Post Office, by registered, or certified mail, postage prepaid, or sent by confirmed electronic mail, addressed:

(a) if to the Company, at:

AHD Investors, LLC  
P. O. Box 428  
Durham, NC 27702  
Attn: Jordan Jones  
Email: jordan@anchorandpillar.com

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

Wyrick Robbins Yates & Ponton LLP  
4101 Lake Boone Trail, Suite 300  
Raleigh, North Carolina 27607  
Attn: Todd H. Eveson  
Email: teveson@wyrick.com

or at such other address as the Company shall have furnished to the Purchasers in writing, and

(b) if to a Purchaser, at such Purchaser's address as is set forth on Exhibit A, or at such other address as such Purchaser shall have furnished to the Company in writing after any Closing in which the Purchaser acquires a Debenture.

7.6 Expenses. Each party to this Purchase Agreement will pay its own expenses in connection with the transactions contemplated by the Transaction Documents.

7.7 Attorneys' Fees. Should any litigation or arbitration be commenced between the parties hereto concerning any of the Transaction Documents, the party prevailing in such litigation or arbitration shall be entitled, in addition to such other relief as may be granted, to a reasonable sum for attorneys' fees and costs in such litigation or arbitration, which fees and costs shall be determined by the court or arbitrator, as the case may be.

7.8 Severability. Any invalidity, illegality or limitation of the enforceability with respect to any Purchaser of any one or more of the provisions of this Purchase Agreement, or any part thereof, whether arising by reason of the law of any such Purchaser's domicile or otherwise, shall in no way affect or impair the validity, legality or enforceability of this Purchase Agreement with respect to any other Purchasers. In case any provision of this Purchase Agreement shall be invalid, illegal or unenforceable, it shall to the extent practicable, be modified so as to make it valid, legal and enforceable and to retain as nearly as practicable the intent of the parties, and the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

7.9 Delays or Omissions. No delay or omission to exercise any right, power or remedy accruing to the Company or any Purchaser or any subsequent holder of any Debentures upon any breach, default or noncompliance of any Purchaser, any subsequent holder of any Debentures or the Company under this Purchase Agreement shall impair any such right, power or remedy, nor shall it be construed to be a waiver of any such breach, default or noncompliance, or any acquiescence therein, or of any similar breach, default or noncompliance thereafter occurring. It is further agreed that any waiver, permit, consent or approval of any kind or character on the part of the Company or the Purchasers of any breach, default or noncompliance under this Purchase Agreement or any waiver on the Company's or the Purchaser's part of any provisions or conditions of this Purchase Agreement must be in writing and shall be effective only to the extent specifically set forth in such writing and that all remedies, either under this Purchase Agreement, by law, or otherwise afforded to the Company and the Purchaser, shall be cumulative and not alternative.

7.10 Amendments and Waivers. Except as otherwise expressly provided herein, any term of this Purchase Agreement may be amended and the observance of any term of this Purchase Agreement may be waived (either generally or in a particular instance, either retroactively or prospectively and either for a specified period of time or indefinitely) with the written consent of the Company and the Purchasers (or their permitted transferees) holding at least two-thirds of the then outstanding principal amount of the Debentures issued pursuant to this Purchase Agreement, voting together as a single group; provided, however, that no such amendment or waiver shall reduce the aforesaid percentage of Purchasers required to consent to any waiver or supplemental agreement, without the consent of the holders of all of the Debentures. Any amendment or waiver effected in accordance with this Section shall be binding upon each Purchaser and each transferee of the Debentures and Underlying Units. Upon the effectuation of

each such amendment or waiver, the Company shall promptly give written notice thereof to the Purchasers (or their permitted transferees) that have not previously consented thereto in writing. Notwithstanding anything to the contrary in this Section, the Company shall be entitled to include Additional Purchasers pursuant to the terms of this Purchase Agreement as parties to this Purchase Agreement, provided that such Additional Purchasers shall execute appropriate signature pages to this Purchase Agreement. The inclusion of Additional Purchasers and the amendment to Exhibit A shall not require any consent or approval of the Purchasers.

**[Signature Pages Follow]**

IN WITNESS WHEREOF, the parties have executed this Convertible Debenture Purchase Agreement as of the date first above written.

**AHD INVESTORS, LLC**

By: \_\_\_\_\_  
Name:  
Title:

IN WITNESS WHEREOF, the parties have executed this Convertible Debenture Purchase Agreement as of the date first above written.

**PURCHASER:**

[ \_\_\_\_\_ ]

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Email: \_\_\_\_\_

Telephone: \_\_\_\_\_



**EXHIBIT A**

**Schedule of Purchasers**

**Initial Closing**

[ \_\_\_\_\_ ]

<b>Name and Address of Purchaser</b>	<b>Principal Amount of Debenture</b>
<b>TOTAL:</b>	

**EXHIBIT A**

**Schedule of Purchasers**

**Additional Closing**

[ \_\_\_\_\_ ]

<b>Name and Address of Purchaser</b>	<b>Principal Amount of Debenture</b>
<b>TOTAL:</b>	<b>\$</b>

**EXHIBIT B**

**Form of Convertible Debenture**

THIS INSTRUMENT AND THE SECURITIES ISSUABLE UPON THE CONVERSION HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"). THEY MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED, HYPOTHECATED, OR OTHERWISE TRANSFERRED EXCEPT IN COMPLIANCE WITH THE ACT. FOR ONE YEAR FROM THE DATE OF THIS INSTRUMENT, THIS INSTRUMENT AND THE SECURITIES ISSUABLE UPON THE CONVERSION HEREOF, WHICH WERE SOLD IN RELIANCE ON REGULATION CROWDFUNDING UNDER THE ACT MAY ONLY BE TRANSFERRED TO THE COMPANY, TO AN "ACCREDITED INVESTOR" WITHIN THE MEANING OF RULE 501 OF REGULATION D UNDER THE ACT, AS PART OF AN OFFERING REGISTERED UNDER THE SECURITIES ACT WITH THE SECURITIES AND EXCHANGE COMMISSION (THE "SEC"), OR TO A MEMBER OF THE HOLDER'S FAMILY OR THE EQUIVALENT, TO A TRUST CONTROLLED BY THE HOLDER, TO A TRUST CREATED FOR THE BENEFIT OF A MEMBER OF THE FAMILY OF THE HOLDER OR EQUIVALENT, OR IN CONNECTION WITH THE DEATH OR DIVORCE OF THE HOLDER OR OTHER SIMILAR CIRCUMSTANCE. THIS INSTRUMENT AND THE SECURITIES ISSUABLE UPON THE CONVERSION HEREOF HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SEC, ANY STATE SECURITIES COMMISSION OR OTHER REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON THE MERITS OF THIS OFFERING OR THE ADEQUACY OR ACCURACY OF THE SUBSCRIPTION AGREEMENT OR ANY OTHER MATERIALS OR INFORMATION MADE AVAILABLE TO THE HOLDER IN CONNECTION WITH THIS OFFERING. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

**AHD INVESTORS, LLC  
CONVERTIBLE DEBENTURE**

[\$\_\_\_\_\_]

[\_\_\_\_\_]

1. Principal. AHD Investors, LLC, a North Carolina limited liability company (the "**Company**"), for value received, hereby promises to pay to the order of [\_\_\_\_\_] (the "**Holder**") in lawful money of the United States of America at the address for notices to Holder set forth below, the principal amount of \$[\_\_\_\_\_], together with interest as set forth below. This Convertible Debenture (this "**Debenture**") is being issued pursuant to that certain Convertible Debenture Purchase Agreement, dated as of [\_\_\_\_\_], by and among the Company and the signatories thereto (the "**Purchase Agreement**"), and is subject to its terms. Capitalized terms used but not otherwise defined herein will have the meanings set forth in that certain Amended and Restated Operating Agreement of the Company, dated August 5, 2020, as the same may be amended and/or restated from time to time (the "**LLC Agreement**").

2. Interest and Maturity. The Company promises to pay simple interest on the unpaid principal amount of this Debenture from the date hereof until such principal amount is paid in full at an annual rate of five percent (5.0%), or such lesser rate as shall be the maximum rate allowable under applicable law. Interest from the date hereof shall be computed on the basis of a 365-day year and the actual number of days elapsed and payable in arrears on March 15<sup>th</sup>, June 15<sup>th</sup>, September 15<sup>th</sup> and December 15<sup>th</sup> of each year. Unless repurchased, prepaid or converted earlier as set forth herein, all outstanding principal and any accrued but unpaid interest on this Debenture shall be due and payable on the date that is one hundred twenty (120) days after a Historic Tax Credit Event (as defined herein) (the "**Maturity Date**").

3. Treatment of Debentures. This Debenture and the other convertible debentures issued pursuant to the Purchase Agreement are collectively referred to herein as the “**Debentures**.” This Debenture and the other Debentures shall rank *pari passu* with regard to the payment of principal and interest. The Holder agrees that any payments or prepayments to the Holder and the holders of the other Debentures, whether principal or interest, shall be made pro rata among the Holder and the holders of the other Debentures based upon the aggregate unpaid principal amount of this Debenture and the other Debentures. In the event the Holder receives payments in excess of its pro rata share of Company’s payments to the holders of all of the Debentures, then the Holder shall hold in trust all such excess payments for the benefit of the holders of the other Debentures and shall pay such amounts held in trust to such other holders upon demand by such holders.

4. Prepayment. All outstanding principal and accrued but unpaid interest of this Debenture may be prepaid without penalty, in whole or in part, only upon the prior written consent of the holders of Debentures representing at least a majority of the aggregate principal amount of all Debentures then outstanding (the “**Requisite Holders**”). Any prepayment of this Debenture will be credited first against the accrued interest, then principal. Upon payment in full of the amount of all principal and interest payable hereunder, this Debenture shall be surrendered to the Company for cancellation. Any prepayment shall be effected on a pro rata basis as to the Holders, and a like percentage of the principal amount of every Debenture shall be prepaid.

5. Conversion.

5.1 Mandatory Conversion upon a Historic Tax Credit Event. If not sooner repaid or converted as provided herein, and if all state and federal historic tax credit investors have ceased to have any ownership interests in the Albemarle Hotel redevelopment project in Albemarle, North Carolina, being undertaken by Albemarle Hotel Development, LLC (the “**Project**”), after the Project has been placed in service as defined in Section 47b of the Internal Revenue Code of 1986, as amended (a “**Historic Tax Credit Event**”), then all outstanding principal and accrued but unpaid interest on this Debenture shall automatically be converted immediately after the Historic Tax Credit Event into Units at the Tax Credit Conversion Price. For purposes of this Debenture, the “**Tax Credit Conversion Price**” shall mean one Unit for each one hundred dollars (\$100.00) of principal of the Debenture. The Holder agrees and acknowledges that if this Debenture is converted into Units in connection with a Historic Tax Credit Event, the Holder will enter into any and all documents related to the Qualified Financing reasonably requested by the Company or the financial advisor or investment banker for the Qualified Financing.

5.2 Mandatory Conversion upon a Liquidity Event. If not sooner repaid or converted as provided below, all outstanding principal and accrued but unpaid interest on this Debenture, as of the close of business on the day immediately preceding the date of the sale of the Company, whether by means of a plan of recapitalization, reorganization, merger, or sale of all or substantially all of the assets of (a) the Company or (b) Albemarle Hotel Development, LLC (a “**Liquidity Event**”), then all outstanding principal and accrued but unpaid interest on this Debenture shall be automatically converted into Units at the Liquidity Conversion Price. For purposes of this Debenture, the “**Liquidity Conversion Price**” shall mean one Unit for each one hundred dollars (\$100.00) of principal of the Debenture. The Holder agrees and acknowledges that if this Debenture

is converted into Units in connection with a Liquidity Event, the Holder will enter into any and all documents related to the Liquidity Event reasonably requested by the Company or the financial advisor or investment banker for the Liquidity Event.

5.3 Effect and Notice of Conversion. Upon conversion of this Debenture pursuant to this Section 5, the applicable amount of outstanding principal and accrued but unpaid interest of the Debenture shall be converted without any further action by the Holder; provided, however, that the Company shall not be obligated to record the issuance of such Units (or such other security into which this Debenture may convert in accordance with the terms hereof) in the Company's books and records unless such Debenture is delivered to the Company, or the Holder notifies the Company that such Debenture has been lost, stolen or destroyed and executes an agreement satisfactory to the Company to indemnify it from any loss incurred by it in connection with such Debenture. The person or persons entitled to receive Units issuable upon such conversion shall be treated for all purposes as the record holder or holders of such Units on such date. Any conversion effected in accordance with this Section 5 shall be binding upon the Holder hereof. The Company shall not issue fractional Units upon the conversion of this Debenture but instead the number of Units to be issued shall be rounded down to the nearest whole Unit. The Company agrees to provide prompt notice to Holder after the mandatory conversion of this Debenture pursuant to this Section 5.

5.4 Covenants. The Company covenants and agrees that, between the date hereof and the earlier of (i) the conversion of the Debenture, and (ii) the Maturity Date, the Company shall:

- (a) Not incur any additional indebtedness of any kind.
- (b) Pay and discharge when due (subject to any extensions that may be granted) any and all indebtedness (existing as of the date of the Purchase Agreement), assessments and taxes, except as may be subject to good faith contest or as to which a bona fide dispute may exist that is being diligently pursued.
- (b) Not become subject to (including, without limitation, by way of amendment to or modification of), any agreement or instrument which by its terms would (under any circumstances) restrict the Company's right to perform the provisions of this Debenture.
- (c) Not amend its organizational documents or the LLC Agreement in any manner that adversely affects the rights associated with this Debenture without the consent of the Requisite Holders.
- (d) Not make a distribution upon its Units or other securities and whether or not a regular cash dividend, or purchase, redeem or otherwise acquire or retire for value any of its Units or any warrants, rights or options to purchase or acquire any Units, other than repurchases from former employees, officers, directors, consultants or other service providers in connection with the cessation of such relationship in accordance with the terms thereof.

6. Attorney's Fees. If the indebtedness represented by this Debenture or any part thereof is collected in bankruptcy, receivership or other judicial proceedings or if this Debenture is

placed in the hands of attorneys for collection after default, the Company agrees to pay, in addition to the principal and interest payable hereunder, reasonable attorneys' fees and costs incurred by Holder.

7. Notices. Any notice required or permitted under this Debenture shall be given in writing and shall be deemed effectively given upon personal delivery or upon deposit with the United States Post Office, by registered, or certified mail, postage prepaid, or sent by confirmed electronic mail, addressed:

(a) if to the Company, to:

AHD Investors, LLC  
P.O. Box 428  
Durham, NC 27702  
Attn: Jordan Jones  
Email: jordan@anchorandpillar.com

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

Wyrick Robbins Yates & Ponton LLP  
4101 Lake Boone Trail, Suite 300  
Raleigh, North Carolina 27607  
Attn: Todd H. Eveson  
Email: teveson@wyrick.com

or to such other address as the Company shall have furnished to the Purchaser in writing, and

(b) if to the Holder, to the Holder's address as set forth in the Purchase Agreement, or at such other addresses as the Holder shall have furnished to the Company in writing.

8. Defaults and Remedies.

8.1 Events of Default. An "*Event of Default*" shall occur hereunder if:

(i) the Company shall default in the payment of the interest of this Debenture for five (5) consecutive quarters when and as the same shall become due and payable and such amount remains unpaid for five (5) business days after the due date thereof;

(ii) the Company shall default in the due observance or performance of any covenant, representation, warranty, condition or agreement on the part of the Company to be observed or performed pursuant to the terms hereof, and such default is not remedied or waived within the time periods permitted therein, or if no cure period is provided therein, within thirty (60) calendar days after the Company receives written notice of such default;

(iii) the Company shall materially breach any term, condition, representation or warranty set forth in the Purchase Agreement;

(iv) the Company shall commence any proceeding in bankruptcy or for dissolution, liquidation, winding-up, composition or other relief under state or federal bankruptcy laws;

(v) the Company shall default in the payment of any principal or interest on any other indebtedness of the Company, when and as the same shall become due and payable, and such default is not remedied or waived within the time periods permitted therein, or if no cure period is provided therein, within thirty (60) calendar days after the Company receives written notice of such default;

(vi) proceedings such as are referenced in Section 8.1(iv) are commenced against the Company, or a receiver or trustee is appointed for the Company or a substantial part of its property, and such proceeding or appointment is not dismissed or discharged within ninety (90) calendar days after its commencement.

8.2 Increase in Interest Rate; Acceleration. If an Event of Default occurs, the interest rate on this Debenture shall increase to the lesser of ten percent (10.0%) per annum or the maximum rate permitted by applicable law and shall accrue at such increased rate, beginning on the date of such Event of Default, until repaid in full or converted. If an Event of Default occurs under Section 8.1(iv) or (vi), then the outstanding principal of and accrued but unpaid interest on this Debenture shall automatically become immediately due and payable, without presentment, demand, protest or notice of any kind, all of which are expressly waived. The failure of the Holder to declare the Debenture due and payable shall not be a waiver of its right to do so, and the Holder shall retain the right to declare this Debenture due and payable unless the Holder shall execute a written waiver.

8.3 No Dilution or Impairment. The Company will not, by amendment of its governing documents, the LLC Agreement or through any reorganization, transfer of assets, consolidation, merger, 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 Debenture, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such action as may be necessary or appropriate in order to protect the rights of the Holder of this Debenture against dilution or other impairment.

9. Waiver of Notice of Presentment. The Company hereby waives presentment, demand for performance, notice of non-performance, protest, notice of protest and notice of dishonor. No delay on the part of the Holder in exercising any right hereunder shall operate as a waiver of such right or any other right.

10. Non-Waiver. The failure of the Holder to enforce or exercise any right or remedy provided in this Debenture or at law or in equity upon any default or breach shall not be construed as waiving the rights to enforce or exercise such right or remedy or any other right or remedy at any later date. No exercise of the rights and powers granted in or held pursuant to this Debenture by

the Holder, and no delays or omissions in the exercise of such rights and powers shall be held to exhaust the same or be construed as a waiver thereof, and every such right and power may be exercised at any time and from time to time.

11. Governing Law. This Debenture is being delivered in and shall be construed in accordance with the laws of the State of North Carolina, without regard to its conflicts of laws or choice of law provisions.

12. No Other Rights. Nothing contained in this Debenture shall be construed as conferring upon the Holder or any other person the right to vote or to consent or to receive notice as a holder of membership interest or Units of the Company.

13. Invalidity. If any provision of this Debenture is invalid, illegal or unenforceable, the balance of this Debenture shall remain in effect, and if any provision is inapplicable to any person or circumstance, it shall nevertheless remain applicable to all other persons and circumstances. In such an event, the parties will in good faith attempt to effect the business agreement represented by such invalidated term to the fullest extent permitted by law, provided that any such revision or modification is approved by the Requisite Holders.

14. Amendment. No amendment or waiver of any provision of this Debenture or consent to departure therefrom shall be effective without the written consent of the Company and the Holder, except that this Debenture may be amended and any provision hereof may be waived with the written consent of the Company and the Requisite Holders; provided, that no such amendment or waiver may (i) modify the outstanding principal amount or interest rate of this Debenture, or (ii) disproportionately and adversely affect the Holder relative to the holders of all other Debentures, in each case without the Holder's consent. Any amendment or waiver effected in accordance with this Section 14 shall be binding upon the Company, all holders of Debentures, and each transferee of the Debentures.

15. Lost Documents. Upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Debenture or any debenture exchanged for it, and an indemnity agreement reasonably satisfactory to the Company (in case of loss, theft or destruction) or surrender and cancellation of this Debenture (in the case of mutilation), the Company, at its own expense, will make and deliver in lieu of this Debenture a new debenture of like tenor and unpaid principal amount and dated as of the date to which interest has been paid on the unpaid principal amount of the Debenture in lieu of which such new debenture is made and delivered.

16. Delivery. This Debenture may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via electronic mail (including .pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docusign.com) or other transmission method, and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes. The Company and Holder hereby agree that this Debenture constitutes a "transferable record" under the Uniform Commercial Code and all state-law equivalents thereof, and that the authoritative copy of this Debenture is held by the Holder.



Any transfer of this Debenture will be void unless made in accordance with the terms of this Debenture, the LLC Agreement and applicable federal and state securities laws and registered with the Company.

**[Signature page follows.]**

This Debenture is hereby issued by the Company as of the year and date first above written.

**COMPANY:**

**AHD INVESTORS, LLC**

By: \_\_\_\_\_  
Name:  
Title: