

FOR PURPOSES OF SECTIONS 1272, 1273 AND 1275 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, THE LIMITED RECOURSE PROMISSORY NOTES (THE “**NOTES**”) OFFERED HEREBY ARE BEING ISSUED WITH ORIGINAL ISSUE DISCOUNT (“**OID**”) BECAUSE SHARESTATES INVESTMENTS, LLC, A DELAWARE SERIES LIMITED LIABILITY COMPANY (THE “**COMPANY**”), IS NOT UNCONDITIONALLY OBLIGATED TO PAY INTEREST ON THE NOTES AND PAYMENTS ON THE NOTES ARE MADE ONLY TO IF THE ISSUING SERIES OF THE COMPANY HAS ADEQUATE PROCEEDS AVAILABLE FROM (I) THE ORIGINATION, FUNDING, AND SALE OF LOANS FOR REAL ESTATE PROJECTS (“**REAL ESTATE LOANS**”); (II) PAYMENTS RECEIVED FROM UNDERLYING BORROWERS ON REAL ESTATE LOANS HELD BY THE ISSUING SERIES PRIOR TO THEIR SALE; AND (III) PROCEEDS OF SUBSEQUENT NOTES ISSUED BY THE COMPANY IN ITS SOLE DISCRETION; IN EACH CASE NET OF CERTAIN FEES AND CHARGES, INCLUDING LEGAL EXPENSES, INCURRED BY THE ISSUING SERIES OF SHARESTATES. THE ISSUE PRICE OF EACH NOTE IS THE STATED PRINCIPAL AMOUNT OF THE NOTE, AND THE ISSUE DATE IS THE ORIGINAL ISSUE DATE. UPON REQUEST, THE COMPANY WILL PROMPTLY MAKE AVAILABLE TO A PURCHASER OF A NOTE (IN SUCH CAPACITY, A “**HOLDER**”) THE EXPECTED PAYMENT SCHEDULE, THE AMOUNT OF OID AND THE YIELD TO MATURITY OF THE NOTES HELD BY SUCH HOLDER. A HOLDER SHOULD CONTACT THE CHIEF FINANCIAL OFFICER OF THE COMPANY AT 45 NORTH STATION PLAZA, SUITE 400, GREAT NECK, NEW YORK 11021.

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “**ACT**”), OR UNDER ANY STATE SECURITIES LAWS. THIS NOTE IS SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED, SOLD, RESOLD, OFFERED FOR SALE OR RESALE, PLEDGED OR HYPOTHECATED (COLLECTIVELY, “**TRANSFERRED**” OR A “**TRANSFER**”) IN THE ABSENCE OF A REGISTRATION STATEMENT IN EFFECT WITH RESPECT TO THIS NOTE UNDER THE ACT OR APPLICABLE STATE SECURITIES LAWS OR AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT ANY PROPOSED TRANSFER OR RESALE IS IN COMPLIANCE WITH THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS. PLEASE SEE THE CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM OF THE COMPANY (AS MAY BE AMENDED FROM TIME TO TIME, THE “**MEMORANDUM**”) AND THE MASTER SUBSCRIPTION AGREEMENT BETWEEN THE COMPANY AND THE HOLDER WITH RESPECT TO THIS NOTE (THE “**MASTER SUBSCRIPTION AGREEMENT**”) FOR FURTHER DETAILS. THIS NOTE MAY NOT (EXCEPT IN CERTAIN LIMITED CIRCUMSTANCES) BE TRANSFERRED WITHOUT THE CONSENT OF THE COMPANY, WHICH MAY BE WITHHELD IN THE COMPANY’S SOLE DISCRETION. THIS NOTE A LIMITED OBLIGATION AND THE RECOURSE OF HOLDERS IS LIMITED SOLELY TO THE ASSETS, FUNDS, AND ACCOUNTS OF THE ISSUING SERIES OF THE COMPANY. HOLDERS SHALL HAVE NO RECOURSE AGAINST THE COMPANY, ANY OTHER SERIES THEREOF, ITS PARENT, OR ANY OF THEIR AFFILIATES, DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, OR STOCKHOLDERS, EXCEPT TO THE EXTENT OF THE ASSETS OF THE ISSUING SERIES.

#### LIMITED RECOURSE PROMISSORY NOTE

#### SHARESTATES INVESTMENTS, LLC

Series No. \_\_\_\_\_

No. \_\_\_\_\_

NAME OF HOLDER: \_\_\_\_\_

PRINCIPAL AMOUNT: U.S. \$ \_\_\_\_\_

INTEREST RATE: \_\_\_\_\_%

ORIGINAL ISSUE DATE: \_\_\_\_\_

INITIAL MATURITY DATE: \_\_\_\_\_

FOR VALUE RECEIVED, and pursuant to the terms of that certain Master Subscription Agreement for Accredited Investors executed between SHARESTATES INVESTMENTS, LLC (the “**Company**”) and the person identified as the “**Holder**” above (the “**Holder**”) (the “**Master Subscription Agreement**”), which terms are explicitly incorporated herein by reference, the Company hereby promises to pay to the Holder, in accordance with and subject to the terms and conditions of the Master Subscription Agreement and that certain Indenture Agreement, dated as of October 3, 2017 (as the same may be as amended, supplemented, or modified from time to time, the “**Indenture**”), duly executed and delivered by Company and Delaware Trust Company, a Delaware corporation, as trustee (the “**Trustee**”) the principal and interest on this Note in U.S. dollars in an amount equal to the principal sum shown above, together with interest on the unpaid principal balance of this Note, as follows below and subject to the conditions and limitations on payment described below (in accordance with this Note’s Payment Schedule, and subject to prepayment without penalty) until the redemption hereof, the Initial Maturity Date or, if the maturity of this Note has been extended, until the Final Maturity Date. The Holder’s *pro rata* share of any assets of the issuing series of this Note on the applicable maturity date, net of any fees and expenses, including legal expenses, incurred by the issuing series (the “**Series’ Assets**”) shall be constituted by the percentage represented by (a) the original stated principal amount of this Note *divided by* (b) the aggregate principal and accrued interest of all notes issued by the issuing series of this Note (such percentage, the “**Sharing Percentage**”). For the avoidance of doubt, (a) no payments of principal or interest on this Note shall be payable unless the Company has cash flow available from (i) cash proceeds from the sale of Real Estate Loans; (ii) payments received from the underlying borrowers of any Real Estate Loans originated, funded, and held by the issuing series prior to the sale of such Real Estate Loans; and (iii) proceeds of subsequent notes issued by Sharestates, in its sole discretion; and (b) no Holder of a Note shall have any recourse against the issuing series Company unless, and then only to the extent that, the issuing series of the Company has failed to pay such Holder the payments in an amount equal to such Holder’s Sharing Percentage of the applicable Series’ Assets. Other than the above sources of payment and the assets of the issuing series of the Company, Holders will have no recourse against the issuing series, Sharestates, any other series thereof, its parent company, or any of their affiliates. The principal and interest payable on any Payment Date or applicable maturity date, as the case may be, will be paid to the person in whose name this Note is registered at the close of business of the Company on the Record Date immediately preceding such Payment Date or applicable maturity date, respectively.

This Note is not entitled to any sinking fund. This Note is not redeemable at the option of the Holder.

All U.S. dollar amounts used in or resulting from the calculation of amounts due in respect of this Note shall be rounded to the nearest cent (with one-half cent being rounded upward).

**PAYMENT DATES.** Subject to the conditions and limitations on payment described below (and subject to prepayment without penalty), and except as provided in the Memorandum, the Master Subscription Agreement or the Indenture, the Company will make payments of principal and interest on or before the twenty fifth (25<sup>th</sup>) day of each calendar month (the “**Payment Date**”) provided the issuing series of the Company has adequate cash flow to make payments in accordance with the payment schedule for this Note, which is available on the Holder’s account page at [www.sharestates.com](http://www.sharestates.com) (the “**Payment Schedule**”). Prior to an Event of Default (as defined in the Indenture), the Trustee shall have no responsibility for any payments under this Note and shall be entitled to rely on information provided by the Company as to amounts outstanding on any Note.

1. **Interest.** Interest on the unpaid principal balance of this Note will accrue at an annual rate equal to the Interest Rate shown above from the date that the proceeds have been applied by the issuing series of the Company to originate Real Estate Loans.

2. **Payments of Principal and Interest.** Payments of principal and interest on the Notes shall be made and applied as set forth above.

3. **Prepayment.** The Holder acknowledges and agrees that the issuing series of the Company may prepay or redeem this Note in whole or in part at any time without any penalty or restriction.

4. **Redemption Program.** The Holder acknowledges and agrees that this Note may be redeemable

by the Holder pursuant to the terms and conditions of the Redemption Program offered by Sharestates as provided for the Sharestates website at [www.Sharestates.com](http://www.Sharestates.com).

5. **Waiver.** The issuing series of the Company, endorsers, and all other persons liable or to become liable on this Note waive diligence, presentment, protest and demand, and also notice of protest, demand, nonpayment, dishonor and maturity and consent to any extension of the time or terms of payment hereof, any and all renewals or extensions of the terms hereof, any release of all or any part of any security given for this Note, and any acceptance of additional security of any kind.

6. **Notice.** Any notice required to be provided under this Note shall be given and received via electronic transmission (“**email**”), unless applicable law requires that such notice be given in writing, in which case such notice shall be delivered via first-class mail, postage prepaid or by a nationally recognized overnight courier service. All notices shall be addressed to the party to whom such notice is to be given (a) at [info@sharestates.com](mailto:info@sharestates.com) if by email or 45 N Station Plaza Suite 400, Great Neck, New York 11021, Attention: Investor Support, if by mail, if the recipient is the Company; or (b) any notice or communication given to a Holder of this Note shall be emailed or mailed to such Holder at the Holder’s address as it appears on the registration books of the Registrar and shall be sufficiently given if so emailed or mailed within the time prescribed; subject to the parties updating such addresses by providing notice pursuant to this Section 6.

7. **Limited Recourse; Payment Dependent Obligations.** The Holder acknowledges and agrees that the issuing series of the Company’s obligation to make payments on this Note is limited to an amount equal to the Holder’s pro rata share of the assets of the issuing series of the Company, specifically cash flow generated from: (i) the sale to investors of Real Estate Loans originated and funded by the issuing series; (ii) payments received from underlying borrowers on any Real Estate Loans originated and held by the issuing series prior to their sale; and (iii) additional notes issued by Sharestates in its sole discretion; in each case net of services charges, reimbursement of expenses (including without limitation, legal expenses), and any advances made by Sharestates in its sole discretion in connection with a Real estate Loan, as further described in the Memorandum.

8. **Forbearance Not a Waiver.** If the Holder delays in exercising or fails to exercise any of its rights under this Note, that delay or failure shall not constitute a waiver of any the Holder’s rights or of any breach, default, or failure of condition under this Note unless expressly agreed otherwise by the parties hereto.

9. **Transfer.** This Note may not be transferred except to the extent permitted under the terms of the Master Subscription Agreement, the Indenture and the Redemption Program (if applicable). Without limiting or derogating from the provisions of Section 11 hereof, in the event that all conditions for transfer set forth in the Master Subscription Agreement, the Indenture or the Redemption Program, as applicable, have been satisfied, then upon due presentment for registration of transfer of this Note at the office or agency of the Company in Great Neck, New York, accompanied by a written instrument of transfer in form satisfactory to the Company duly executed by the Holder or the Holder’s attorney electronically or in writing, a new Note or Notes for an equal aggregate principal amount and like interest rate and maturity will be issued to the transferee in exchange therefor, subject to any transfer fee payable to the Company and to any stamp tax or other governmental charge imposed in connection therewith.

10. **Governing Law.** This Note shall be governed by and construed in accordance with the laws of the State of Delaware (without regard to the conflicts of laws principles thereof).

11. **Withdrawal Requests and Use of Uninvested Funds.** Any funds deposited on the Platform may not be available for immediate withdrawal. Holder acknowledges and agrees that while funds remain uninvested in this Note or any other investment offered on the Platform and such Holder wishes to withdraw funds from the Platform, Holder must submit a timely and complete withdrawal request to [info@Sharestates.com](mailto:info@Sharestates.com) at least ninety (90) days prior to the desired withdrawal date. Holder further acknowledges and agrees that the Company, in its sole discretion, may temporarily suspend the processing of any and all withdrawal requests received from investors in order to maintain any liquidity needs. Holder further acknowledges and agrees that (i) prior to the receipt of a timely and complete withdrawal request and while such Holder’s funds remain uninvested in Notes, the Company may, at its sole discretion, use such funds for general corporate purposes, including without limitation, the funding of additional loans, and (ii) such Holder will not earn any interest for any or all amounts of uninvested funds used

by the Company for the purposes described in the preceding sentence.

12. **Extension of Maturity Date.** If the issuing series of the Company has inadequate proceeds available to repay the Notes on the Initial Maturity Date, the Initial Maturity date shall automatically be extended for a period of ninety (90) days. During this period, the Notes will continue to accrue interest at the Interest Rate, and any cash flow generated by the issuing series will be applied to make payments on the Notes; however, Holders will have no remedies or recourse against the issuing series, Sharestates, any other series thereof, or any of its affiliates, and no event of default will be deemed to have occurred hereunder or under the Indenture, as a result of the extension of the Initial Maturity Date. Following the initial ninety (90) day extension, the issuing series of Sharestates may, in its sole discretion, extend the maturity date to a time not later than one (1) year after the Initial Maturity Date (the “**Final Maturity Date**”) to allow for more time for the issuing series of Sharestates to generate cash flow and receive further payments due under any Real Estate Loans held by such series in order for Holders to thus receive further payments on the Notes.

13. **Entire Agreement.** This Note, together with the Memorandum, the Master Subscription Agreement, the Indenture, the Offering Materials, the Disclosures and the Platform’s Terms of Service and Privacy & Security Policies (each as defined in the Master Subscription Agreement), contains the entire agreement of the parties hereto with respect to the subject matter hereof, and there are no representations, covenants or other agreements except as stated or referred to herein or therein. Should there be any conflict of interpretation of terms among parties to the Offering Materials, this Note shall control. The provisions of this Note, including without limitation the representations and warranties of the Purchaser set forth herein and in the Master Subscription Agreement, shall survive the closing of the transactions contemplated hereby. This Note supersedes any and all prior or contemporaneous communications, whether oral, written or electronic, between the parties hereto (other than those expressly set forth in the first sentence of this Section 12).

*[Signature page follows.]*

IN WITNESS WHEREOF, the Company has caused this instrument to be signed by its duly authorized officers.

**SHARESTATES INVESTMENTS, LLC**

By: \_\_\_\_\_  
Name: Allen Shayanfekr  
Title: Chief Executive Officer

Date: \_\_\_\_\_

**CERTIFICATE OF AUTHENTICATION**

Date: \_\_\_\_\_

This is one of the Notes of the Series designated therein referred to in the within-mentioned Indenture.

**SHARESTATES INVESTMENTS, LLC**  
as Authenticating Agent

By: \_\_\_\_\_  
Name: Allen Shayanfekr  
Title: Chief Executive Officer