**RECOVERABLE GRANT AGREEMENT**

This **RECOVERABLE GRANT AGREEMENT** (this “Agreement”), dated as of \_\_\_\_\_\_\_\_\_\_\_(the “Effective Date”), is entered into by and between (the “Grantor”) and \_\_\_\_\_\_\_\_\_\_\_\_ (the “Grantee”).

1. **Amount and Purpose of Grant.** The Grantor has approved a grant of $\_\_\_\_\_\_\_\_\_\_\_ to the Grantee (the “Grant”) for the Grant Purpose. The Grant Purpose is to support the Grantee’s mission of promoting sustainable economic development and avoiding carbon emissions, which is in furtherance of the Grantor’s mission and charitable purpose. The Grantee agrees that it will use the Grant funds exclusively for the Grant Purpose.
2. **Disbursement of Grant Funds.** The Grantor will disburse Grant funds to the Grantee in one installment on the Effective Date.
3. **Repayment.**
	1. The Grant shall be repaid only if any of the events described in this Section 3.1 (a “Repayment Event”) occurs before the Maturity Date which shall be December 31, 2026:
		1. A “Liquidity Event,” which shall be defined as (i) a merger or consolidation in which (x) the Grantee is a constituent party or (y) a subsidiary of the Grantee is a constituent party and the Grantee issues shares of its capital stock pursuant to such merger or consolidation, except any such merger or consolidation involving the Grantee or a subsidiary in which the shares of capital stock of the Grantee outstanding immediately prior to such merger or consolidation continue to represent, or are converted into or exchanged for shares of capital stock that represent, immediately following such merger or consolidation, at least a majority, by voting power, of the capital stock of (1) the surviving or resulting corporation or (2) if the surviving or resulting corporation is a wholly owned subsidiary of another corporation immediately following such merger or consolidation, the parent corporation of such surviving or resulting corporation; or (ii) the sale, lease, transfer, exclusive license, or other disposition, in a single transaction or series of related transactions, by the Grantee or any subsidiary of the Grantee of all or substantially all the assets of the Grantee and its subsidiaries taken as a whole, or the sale or disposition (whether by merger, consolidation, or otherwise) of one or more subsidiaries of the Grantee if substantially all of the assets of the Grantee and its subsidiaries taken as a whole are held by such subsidiary or subsidiaries, except where such sale, lease, transfer, exclusive license, or other disposition is to a wholly owned subsidiary of the Grantee.
		2. The Grantee has three successive fiscal years in which its positive net income equals at least ten percent (10%) of its gross revenues and provided that the cumulative net income during those three fiscal years is equivalent to at least 150% of the funds disbursed under the Grant.
	2. Upon the occurrence of a Repayment Event, the Grantee shall have 90 days to repay the Grant to the Grantor, with interest as described in Section 4, or to convert the Grant (plus outstanding interest) into a three-year promissory note paying six percent (6%) interest, with principal and any outstanding interest due on the third anniversary of the date of conversion of the Grant to a promissory note. Such promissory note may be prepaid at any time without penalty.
	3. The Grantee’s obligation to repay the Grant in the case of a Liquidity Event shall be subordinate to its obligation to return to the holders of the then-outstanding shares of Grantee’s preferred stock, if any, the amount of capital invested in purchasing such shares, after adjusting for stock splits, stock dividends, combinations, subdivisions, recapitalizations or the like (meaning that Grantee’s repayment obligations hereunder will only become effective in connection with such Liquidity Event after each of the then-outstanding shares of Grantee’s preferred stock, if any, has received a return equal to the original purchase price of such shares).
	4. The occurrence of a Repayment Event shall be determined as follows: (a) Grantee shall notify Grantor that a Repayment Event has occurred within 30 days of the occurrence of the Repayment Event; or (b) Grantor shall determine, in its sole discretion, that a Repayment Event has occurred based on the information required to be provided under Section 8 of this Agreement or other information as the Grantor in its reasonable judgment shall deem sufficient.
	5. Upon the occurrence of a Repayment Event, Grantor shall calculate the amount due (the original Grant amount plus applicable interest as described in Section 4) (the “Repayment Obligation”) and shall notify Grantee of the amount of the Repayment Obligation and due date.
4. **Interest Payments**. In the event that a Repayment Event occurs before the Maturity Date, in addition to repaying the Grant, the Grantor will pay interest on the Grant as follows:
	1. Beginning on the Effective Date, simple interest on the Grant will accrue at a fixed rate of one percent (1%) per annum (computed on the basis of a 365-day year and the number of days actually elapsed).
	2. The interest payment for any partial calendar year will be prorated based on the number of days in such partial calendar year divided by 365.
5. **Manner and Time of Payments.** Except to the extent otherwise provided herein, all payments and other amounts to be made by the Grantee hereunder shall be made in United States dollars, in immediately available funds, to the Grantor at such account as the Grantor shall specify by notice to the Grantee from time to time, not later than 5:00 p.m. pacific time on the date on which such payments shall become due (each such payment made after such time on such due date to be deemed to have been made on the next succeeding business day). Such payments shall be made without (to the fullest extent permitted by applicable law) defense, set-off, or counterclaim.
6. **Subordination.** The Grant will be subordinated to (1) all indebtedness of the Grantee to banks, commercial finance lenders, insurance companies, leasing and equipment financing institutions, and/or other institutions regularly engaged in the business of lending money and (2) all obligations to investors including holders of preferred stock, convertible notes, SAFEs, promissory notes, and the like.
7. **Security.** The Grant is unsecured.
8. **Information Rights.** Within 90 days of the end of each calendar year until the Maturity Date, the Grantee will provide the Grantor with its unaudited consolidated balance sheet as of the end of such year and the related unaudited consolidated statements of income and retained earnings and of cash flows for such year.
9. **Representations and Warranties of the Grantee.** The Grantee hereby represents and warrants to the Grantor as follows:
	1. **Corporate Organization and Authority.** The Grantee is a corporation duly organized, validly existing, and in good standing in the State of \_\_\_\_\_\_\_\_\_\_\_\_. The Grantee has the corporate power and authority to carry on its business as now conducted and as proposed to be conducted.
	2. **Corporate Power.** The Grantee has all requisite legal and corporate power and authority to execute and deliver this Agreement, and to carry out and perform its obligations under the terms of the Agreement.
	3. **Due Execution.** The execution and delivery of this Agreement by the Grantee and the consummation of the transactions contemplated hereby have been duly authorized by all requisite corporate action on the part of the Grantee. This Agreement has been duly executed and delivered by the Grantee and constitutes the valid and binding obligation of the Grantee, enforceable against the Grantee in accordance with its terms, except to the extent that such enforcement may be subject to applicable bankruptcy, insolvency, reorganization, moratorium, or other laws of general application relating to or affecting enforcement of creditors’ rights and laws concerning equitable remedies.
10. **Representations, Warranties, and Covenants of the Grantor.** the Grantor hereby represents, warrants, and covenants to the Grantee as follows:
	1. **Resale May Be Restricted.** Grantor acknowledges that its rights hereunder may constitute a security and if that is the case, such security has been has not been registered under the Securities Act of 1933, as amended, or any state securities laws and, therefore, cannot be resold unless it is registered under the Securities Act and applicable state securities laws or unless an exemption from such registration requirements is available.
	2. **Authority; Binding Agreement.** The Grantor represents and warrants to, and covenants with, the Grantee that (i) the Grantor has full right, power, authority, and capacity to enter into this Agreement and to consummate the transactions contemplated hereby and has taken all necessary action to authorize the execution, delivery, and performance of this Agreement, and (ii) this Agreement constitutes a valid and binding obligation of the Grantor enforceable against the Grantor in accordance with its terms, except as enforceability may be limited by applicable law.
11. **Miscellaneous.**
	1. **Assignment.** Neither this Agreement nor the rights or obligations hereunder may be assigned by either the Grantor or the Grantee without the prior written consent of the other party, which consent shall not be unreasonably withheld. The terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the parties. The words “the Grantee” and “the Grantor” whenever used herein shall be deemed and construed to include such respective successors and assigns. Nothing in this Agreement, express or implied, is intended to confer upon any third party any rights, remedies, obligations, or liabilities under or by reason of this Agreement, except as expressly provided herein.
	2. **Recognition.** The Grantee may acknowledge this grant in the Grantee’s publications and press releases. Recognition of this grant shall identify the grantor as Impact Assets.
	3. **Governing Law.** This Agreement shall be governed by and construed under the laws of \_\_\_\_\_\_\_\_\_, without giving effect to conflicts of laws principles.
	4. **Counterparts.** This 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.
	5. **Titles and Subtitles.** The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement.
	6. **Notice.** Any notice or demand which either party may or must give to the other under this Agreement shall be made in writing and shall be either hand delivered or sent via email or U.S. certified mail to the relevant address listed on the signature page hereof or at such other addresses which each party may later designate in writing to the other party.
	7. **Severability.** In the event that any provision of this Agreement becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable, or void, this Agreement shall continue in full force and effect without said provision; provided that no severance shall be effective if it materially changes the economic benefit of this Agreement to any party.
	8. **Entire Agreement.** This Agreement constitutes the final, complete, and exclusive statement of the terms of the agreement between the parties pertaining to the Grant, and supersedes all prior and contemporaneous understandings or agreements of the parties.
	9. **Amendments.** Any term of this Agreement may be amended either retroactively or prospectively, with the written consent of the Grantee and the Grantor. All amendments shall be effective only when in writing signed by the parties.
	10. **Expenses.** The Grantee and the Grantor shall each be responsible for bearing their own expenses incurred on their behalf (including attorney’s fees) with respect to the Grant.
	11. **Further Assurances.** Each party hereby covenants and agrees, without the necessity of any further consideration, to execute and deliver any and all such further documents and take any and all such other actions as may be necessary or appropriate to carry out the intent and purposes of this Agreement and to consummate the transactions contemplated herein.
	12. **Electronic Signatures.** Each party agrees that electronic signatures, whether digital or encrypted, to this Agreement are intended to authenticate this writing and to have the same force and effect as manual signatures. Electronic signature means any electronic sound, symbol, or process attached to or logically associated with a record and executed and adopted by a party with the intent to sign such record, including facsimile or email electronic signatures.

*[Signature page follows]*

**In Witness Whereof**, each party has caused this Agreement to be executed by its duly authorized officer as of the date first above written.

**the Grantee:**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

 *(Signature)*

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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

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

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

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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

**the Grantor:**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

 *(Signature)*

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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

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

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

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\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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