

LOAN AGREEMENT AND RISK ACKNOWLEDGEMENT

BETWEEN:

Vidar Foundation (Vidar)

AND

_____ (the "Lender")

1. Purpose

The Vidar Foundation is a registered Canadian charitable foundation. We provide project loans to socially responsible enterprises in areas such as Waldorf schools, biodynamic agriculture, cooperatives, and other community initiatives. Many of these borrowers may not qualify for traditional bank financing due to lack of collateral or the collective nature of their work.

Vidar seeks to connect lenders who wish to place their funds in service of positive social purposes with such borrowers.

2. Loan Terms

1. **Principal Amount:** The Lender agrees to loan Vidar the sum of

CAD \$ _____ (the "Loan").

2. **Term:** Minimum initial term is 2 years.

The Loan shall have an initial term of _____ years, commencing on _____ and maturing on _____,

with the opportunity to renew thereafter upon mutual agreement.

If possible, please indicate your intention for the duration of your loan.

Longer investments help support and stabilize the projects we support.
This estimate is not binding and will help us manage timely repayment.

3. **Interest:** The Loan shall bear interest at a fixed rate of _____% per annum, payable **annually**.
4. **Interest Repayment Options:** Calculated annually at the Vidar year end (August). Please select one of the following options for the interest earned:
- ☐ **Reinvest:** Retain interest in Vidar for continued use in its lending activities. A T5 slip will be issued in February of the following year.
 - ☐ **Payout:** Receive interest as a cash payment. T5 will be issued in February of the next year.
 - ☐ **Donate to the Vidar project of your choice:** Convert interest into a charitable donation to _____ for which a tax receipt will be issued.
 - ☐ **Donate to the Vidar Foundation** Convert interest into a charitable donation to the Vidar Foundation, for which a tax receipt will be issued.
- (lender to initial beside chosen option)*
5. **Redemption and Liquidity:** Repayment of principal will occur upon redemption under the terms below:

Loans are subject to a minimum investment period of **two years**.

After the minimum period, the Lender may request redemption by providing written notice to Vidar at least 30 to 60 days in advance (see below).

Redemption requests will be honoured in the order requested, subject to Vidar's available cash reserves at the time of request. redemption.

Liquidity guidelines after the minimum period:

Loans up to CAD \$20,000 – typically redeemable within 1 week after 30 days notice.

Loans up to CAD \$50,000 – generally redeemable within 1 month after 60 days notice.

Loans over CAD \$100,000 – subject to custom terms, generally with a 3-year horizon minimum.

Early redemption prior to the end of the initial term, or on shorter notice than specified, **can often be granted**, at the discretion of Vidar, subject to a **2% penalty** on the redeemed principal. We may also be able to offer partial redemptions on short notice, depending on the amount involved. If we are able, we will happily provide your partial or full repayment as quickly as we can free up the funds.

3. Use of Funds and Security

1. Vidar shall use the Loan funds exclusively to provide financing to borrowers for **infrastructure improvements**, and such loans shall be **secured by a Mortgage on the borrower's property**.
2. Projects not secured by a regular mortgage will only be offered to lenders wishing to invest after they have been fully briefed on the project's details and risks. Vidar promotes alternative financing models, such as borrowing and lending communities, for group projects that may not qualify for a regular mortgage. Interested investors can participate in these projects, and will need to sign an agreement acknowledging the unsecured nature of the project loan.

4. Risk Acknowledgement. The Lender acknowledges that every loan carries risk and that a project supported by the Foundation may not succeed.

1. The Lender understands and accepts that full repayment of a project loan is not guaranteed, and a part of the principal may be lost.
2. Vidar undertakes to act in good faith, to review all projects diligently, and to work with borrowers in times of difficulty to support the success of the project and prevent default. The Vidar Foundation has yet to have a single default on any of our loans since 2001.
3. Our primary mission is to help these projects succeed, even when inevitable setbacks occur.

5. Non-Collateralized Loan

The Lender acknowledges that the Loan is **not secured by collateral from Vidar itself**, but by a mortgage on the borrower's property. In the unlikely event of a default, the property might need to be sold and repayment of the loan may be delayed and/or incomplete. All our current loans are for significantly less than the full value of the properties mortgaged.

6. Optional Loan-to-Donation Conversion

At any time during or after the term of this Agreement, the Lender may, by written notice to Vidar, elect to forgive part or all of the outstanding loan (principal and/or interest). Any forgiven amount shall be deemed a donation to Vidar or the project of your choice, and will be eligible for a charitable tax receipt, subject to applicable law.

7. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario Canada.

8. Entire Agreement

This agreement constitutes the entire understanding between the parties and supersedes all prior discussions, whether oral or written. Any amendment must be in writing and signed by both parties.

SIGNATURES

Vidar Foundation

Per: _____ Date: _____

Name:

Title:

The Lender

Signature: _____ Date: _____

Name: _____

Address: _____

Phone: _____

Email: _____