**Interest Free Loan Agreement**

THIS AGREEMENT is made on the ………………………… of ……………………………………………………………

BETWEEN

(1) Lenders Full Name: ………………………………………………………………………………………………

Lenders Full Address: ………………………………………………………………………………………………..

…………………………………………………………………………………………………………………………………..

…………………………………………………………………………………………………………………………………..

Post Code: …………………………………………………………………………………………………………………

Contact Telephone No: ……………………………………………………………………………………………..

Email Address: …………………………………………………………………………………………………………..

(2) Menter Y Felin Uchaf Cyf, of the Felin Uchaf Centre, Rhoshirwaun Pwllheli, Gwynedd LL53 8HS (‘the Company’ – A company limited by guarantee and Registered Charity, Reg. No. 1120510)

WHEREBY IT IS AGREED as follows:

1. The lender shall lend to the Company the sum of £ ………………………………………………… (‘the Loan’ for a minimum of £100) for a period of expiring 5 years to the day of the date of this agreement (‘the Repayment Date’).
2. In consideration of the Lender lending the Loan the Company covenants and undertakes to repay the Loan to the Lender on the Repayment Date or on any earlier date on which the Loan may become repayable pursuant to this agreement.
3. No interest shall be paid on the Loan except (without prejudice to the Company’s obligation under clause 2 above) if the Company shall fail to repay the Loan in full on the Repayment Date or to make any repayment of the whole or any part of the Loan on any date on which the same may become payable pursuant to this agreement in which event interest shall be paid on the Loan or the balance thereof from time to time outstanding from such date at the rate of 4% above the minimum base rate for the time being of Barclays Bank plc as well after as before judgment such interest to accrue from day to day to be payable monthly and if not paid to be compounded.
4. The right is reserved to the Company to repay to the Lender the whole or any part of the Loan prior to the Repayment Date upon giving the Lender 7 days’ written notice of its intention to make repayment and of the amount so to be repaid and such amount of the Loan shall then become repayable on the date so specified for repayment.
5. Notwithstanding anything else contained in this agreement the whole of the Loan or so much of it as for the time being remains outstanding and all interest accrued but unpaid shall immediately become repayable in any of the following events:

5.1.1. if the Company shall be unable to pay its debts within the meaning assigned to that expression by the Insolvency Act 1986 Section 123 or if the Company shall certify that it is unable to pay its debts as and when they shall fall due;

5.1.2. if an order be made or resolution be passed for winding up the Company otherwise than for voluntary liquidation for the purpose of reconstruction or amalgamation the terms of which have been previously approved in writing by the Lender;

5.1.3. if a distress or execution be levied or issued against any of the property of the Company and not be satisfied within 21 days;

5.1.4. if the Company shall cease to carry on its business or substantially the whole of its business or threaten to cease to carry on the same;

5.1.5. if a Receiver shall be appointed or any incumbrancer takes possession of the Company’s assets or any part of them or if without the prior approval of the Lender a resolution is passed for a reduction of capital of the Company;

5.1.6. if the Company shall commit or permit any breach of any of the stipulations and provisions contained in this agreement and on its part to be observed and performed.

1. The Lender shall not be entitled to assign the benefit of this agreement.

Signed on behalf of **Menter Y Felin Uchaf Cyf**

Name: Mrs. Phillipa D. Davies-Hughes

Signed: …………………………………………………………………………………………

Position: Company Director

Dated: September 2007

Lenders Full Name: …………………………………………………………………………

Signed: ……………………………………………………………………………………………

Dated: …………………………………………………………………………………………….