

THE COMPANIES ACT 1985

**COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE
CAPITAL**

MEMORANDUM of ASSOCIATION

of

**LATHERON, LYBSTER AND CLYTH COMMUNITY DEVELOPMENT
COMPANY**

- 1 The company's name is "Latheron, Lybster and Clyth Community Development Company".
- 2 The company's registered office is to be situated in Scotland.
- 3 The company has been formed to benefit the community of the area of the community council of Latheron, Lybster and Clyth, the "community", as defined by the postcode units falling within the postcode areas of KW3 and KW5 with the following objects:
 - i) To manage community land and associated assets for the benefit of the community and the public in general as an important part of the protection and sustainable development of Scotland's natural environment, where "sustainable development" means development which meets the needs of the present without compromising the ability of future generations to meet their own needs.
 - ii) To advance the education of the community about its environment, culture and/or history.
 - iii) To distribute in the form of grants funds and assets as appropriate for the benefit of the community, or a part of it, or of the public in general.

In furtherance of those objects (but not otherwise), the company shall have the following powers:-

- (a) To raise finance and take actions to develop or to support the development of, and to implement community plans, and shared visions.
- (b) To formulate plans and funding criteria to assist with the allocation of grants.

- (c) To make grants to community or voluntary groups aiming to benefit the community or a part thereof, or the public in general.
- (d) To prepare, print, publish, issue and/or circulate (gratuitously or otherwise) reports, periodicals, books, pamphlets, leaflets, posters or other printed matter, video tapes and other material.
- (e) To advise in relation to, organize and/or conduct seminars, training courses, exhibitions, meetings and lectures.
- (f) To promote, support and/or undertake community consultation, research and experimental work and disseminate the results of such research and experimental work.
- (g) To provide evidence for central or local government or other enquiries.
- (h) To acquire and take over the whole or any part of the undertaking and liabilities of any person entitled to any property or rights suitable for any of the objects of the company.
- (i) To register an interest in land and to exercise the right to buy under the Land Reform (Scotland) Act 2003 including any statutory amendment or re-enactment thereof for the time being in force ("the Land Reform Act"), or under the National Forest Land Scheme.
- (j) To purchase, take on feu, lease, hire, take in exchange, and otherwise acquire any property and rights which may be advantageous for the purposes of the activities of the company.
- (k) To improve, manage, exploit, develop, turn to account and otherwise deal with all or any part of the undertaking, property and rights of the company.
- (l) To sell, feu, let, hire, licence, give in exchange and otherwise dispose of all or any part of the undertaking, property and rights of the company.
- (m) To lend money and give credit to any person, with or without security, and to grant guarantees and contracts of indemnity on behalf of any person.
- (n) To borrow money and give security for the payment of money by, or the performance of other obligations of, the company or any other person.
- (o) To draw, make, accept, endorse, discount, negotiate, execute and issue cheques, promissory notes, bills of exchange, bills of lading, warrants, debentures and other negotiable or transferable instruments.
- (p) To remunerate any individual in the employment of the company and to establish, maintain and contribute to any pension or superannuation fund

for the benefit of, and to give or procure the giving of any donation, pension, allowance or remuneration to, and to make any payment for or towards the insurance of, any individual who is or was at any time in the employment of the company and the spouse, widow/widower, relatives and dependents of any such individual; to establish, subsidise and subscribe to any institution, association, club and fund which may benefit any such person.

- (q) To promote any private Act of Parliament or other authority to enable the company or carry on its activities, alter its constitution or achieve any other purpose which may promote the company's interests, and to oppose or object to any application or proceedings which may prejudice the company's interests.
- (r) To enter into any arrangement with any business, organization, government or authority which may be advantageous for the purposes of the activities of the company and to obtain from any such organization, government or authority any charter, right, privilege or concession.
- (s) To enter into partnership or any other arrangement for sharing profit, co-operation or mutual assistance with any body, whether incorporated or unincorporated.
- (t) To give any debentures or securities and accept any shares, debentures or securities as consideration for any business, property and rights acquired or disposed of.
- (u) To effect insurance against risks of all kinds.
- (v) To invest moneys of the company not immediately required for the purposes of its activities in such investments and securities (including land in any part of the world) and that in such manner as may from time to time be considered advantageous (subject to compliance with any applicable legal requirement) and to dispose of and vary such investments and securities.
- (w) To establish and support any association or other unincorporated body having objects altogether or in part similar to those of the company and to promote any company or other incorporated body formed for the purpose of carrying on any activity which the company is authorized to carry on.
- (x) To amalgamate with any charitable body, incorporated or unincorporated, having objects altogether or in part similar to those of the company.

- (y) To establish, operate and administer and/or otherwise acquire any separate trading company or association, whether charitable or not.
- (z) To subscribe for, take, purchase and otherwise acquire and hold shares, stocks, debentures and other interests in any company with which the company is authorized to amalgamate and to acquire and take over the whole of any part of the undertaking, assets and liabilities of any body, incorporated or unincorporated, with which the company is authorized to amalgamate.
- (aa) To transfer all or any part of the undertaking, property and rights of the company to any body, incorporated or unincorporated, with which the company is authorized to amalgamate.
- (bb) To subscribe and make contributions to or otherwise support bodies, whether incorporated or unincorporated, and to make donations and award grants for any purpose connected with the activities of the company or with the furtherance of its objects.
- (cc) To accept subscriptions, grants, donations, gifts, legacies and endowments of all kinds, either absolutely or conditionally or in trust for any of the objects of the company.
- (dd) To take such steps (by way of personal or written appeals, public meeting or otherwise) as may be deemed expedient for the purpose of procuring contributions to the funds of the company, whether by way of subscriptions, grants, loans, donations or otherwise.
- (ee) To set charges for services provided in furtherance of the above objects or otherwise and earn income therefrom.
- (ff) To carry out any of these objects in any part of the world as principal, agent, contractor, trustee or in any other capacity and through an agent, contractor, sub-contractor, trustee or any person acting in any other capacity and either alone or in conjunction with others.
- (gg) To do anything which may be incidental or conducive to the attainment of any of the objects of the company.

And it is declared that

- i) in this clause where the context so admits "property" means any property, heritable or moveable, real or personal, wherever situated

- (a) the income and property of the company shall be applied solely towards the promotion of its objects as set out in clause 3 of this memorandum of association
- (b) no part of the income and property of the company shall be paid or transferred, directly or indirectly, by way of dividend, bonus or otherwise, to the members of the company.
- (c) no director of the company shall be appointed to any office under the company in respect of which a salary or fee is payable and
- (d) no benefit in money or money's worth shall be given by the company to any director except repayment of out-of-pocket expenses.

4.2 The company shall, notwithstanding the provisions of clause 4.1, be entitled

- (a) to pay reasonable and proper remuneration to any director or member of the company in return for particular services (not being of a management nature) actually rendered for the company.
- (b) to pay interest at a rate not exceeding the commercial rate on money lent to the company by any director or member of the company
- (c) to pay rent at a rate not exceeding the open market rent for premises let to the company by any director or member of the company and
- (d) to purchase assets from, or sell assets to, any director or member of the company providing such purchase or sale is a market value.

5 The liability of the members is limited.

6 Every member of the company undertakes to contribute such amount as may be required (not exceeding £1) to the company's assets if it should be wound up while he/she is a member or within one year after he/she ceases to be a member, for payment of the company's debts and liabilities contracted before he/she ceases to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves.

7.1 If, on the winding-up of the company, any property remains, after satisfaction of all its debts and liabilities, such property (including any land acquired by it in terms of the Land Reform Act) shall be given or transferred to such other community body or bodies or crofting community body or bodies as may be:


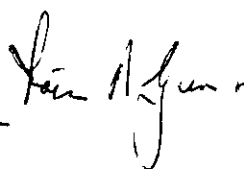
- (a) determined by not less than 75% of the members of the company who are present and voting at a General Meeting called specifically (but not necessarily exclusively) for the purpose; and
- (b) approved thereafter by the Scottish Ministers; under declaration that, if the company is a charity at or before the time of its winding up, then the community body or bodies or crofting community body or bodies referred to above must also be a charity or charities.

7.2 If no such community body or crofting community body is determined by the members and approved by the Scottish Ministers in terms of Clause 7.1, such property referred to in Clause 7.1 shall be transferred to the Scottish Ministers or to such charity or charities as the Scottish Ministers may direct.

7.3 In Clause 7, "community body" and "crofting community body" have the meanings ascribed to them respectively in Sections 34 and 71 of the Land Reform Act and "charity" has the meaning ascribed to it in Section 34(8) of the Land Reform Act.

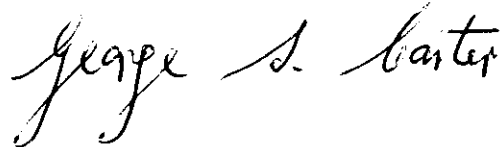
WE, the subscribers to this memorandum of association, wish to be formed into a company pursuant to this memorandum.

 Names and addresses
 of subscribers

- 1. ANDREW GUNN 
 CRAVACHAN
 MAIN STREET
 LYBSTER KW3 6AG
- 2. IAIN ALEXANDER GUNN 
 SWINEY HOUSE
 LYBSTER KW3 6BJ
- 3. etc

 Dated 15th June 2006

Witness to the above signatures:-

GEORGE S. CARTER 
 OLD BANK, MAIN ST
 LYBSTER