

Edinbane and Struan Wind Farm Community Benefit Agreement

AMONG:-

- (1) **VATTENFALL WIND POWER LTD**, a company registered in England and Wales with company number 06205750 and whose registered office is at Bridge End, Hexham, Northumberland, NE46 4NU (the "**Operator**");
- (2) **EDINBANE COMMUNITY COMPANY**, a charitable company limited by guarantee incorporated under the Companies Acts, registered number SC318756 and having its registered office at 28 Queensgate, Inverness, IV1 1YN (the "**Edinbane Community Co**"); and
- (3) **STRUAN COMMUNITY TRUST**, established by Deed of Trust dated Twenty Fifth August Two thousand and nine (the "**Struan Community Trust**")

WHEREAS:-

- (A) The Operator is to own and operate a wind farm pursuant to planning permission 09/00191/FULSL dated 16 September 2009 (the "**Planning Permission**") (or such other planning permission as the Operator may from time to time notify to the other parties to this Agreement) on land leased under the Operator's Edinbane Lease and the Operator's Struan Lease (both as hereinafter defined) (the "**Wind Farm**");
- (B) The Operator has agreed to make certain payments to the Edinbane Community Co and the Struan Community Trust in accordance with the provisions of this Agreement.

IT IS AGREED as follows:-

1. DEFINITIONS

- 1.1 In this Agreement the following words and expressions will have the following meanings:-

Annual Payment	Means the sum of £2,000 (inclusive of VAT) per MW of Installed Capacity per annum Index Linked
Edinbane Share	Means the sum of money calculated in accordance with the following: (11 divided by 18) x (the Annual Payment)
Group Company	Means any holding company or subsidiary of the Operator or any subsidiary of any such holding company (where the terms " holding company " and " subsidiary " have the meanings given to them in section 736 of the Companies Act 1985 (as amended)
Index Linked	Means multiplied by the figure produced by dividing RPI _n by RPI _a where: RPI is the General Index of Retail Prices (All Items)

	published by the Central Statistical Office (or, if that index ceases to be published, such index of the change of value of money as is generally accepted in its place); RPIa is the RPI for the month immediately preceding the previous Payment Date or the Start Date as the case may be; and RPIb is the RPI for the latest available date preceding the date of the current Payment Date (except that if, between these dates, there has been any rebasing or other change of index, RPIb shall be the RPI which would have applied for the latter month had such rebasing or other change not taken place) PROVIDED THAT Index Linked shall operate in an upward direction only.
Installed Capacity	The aggregate capacity of the turbines which are part of the Wind Farm and which are actually installed and commissioned and generating electricity for commercial exportation from the Wind Farm at any particular time
Operator's Edinbane Lease	Means the Lease dated 25 and 30 both months July 2008 and undergoing registration in the Land Register of Scotland under title number INV22936; and
Operator's Struan Lease	Means the Lease dated 26 July and 18 August both months 2008 and currently undergoing registration in the Land Register of Scotland under title number INV22806
Payment Date	Means the anniversary of the Start Date
Payment Period	Means the period commencing on the Start Date and ending 31 July 2033 thereof or such other date as may be provided for in terms of this Agreement
Schedule	Means the schedule annexed and executed as relative hereto and forming part of this Agreement
Start Date	Means the date on which the Operator commences commercial exportation of electricity from all turbines which will form part of the Wind Farm
Struan Share	Means the sum of money calculated in accordance with the following: (7 divided by 18) x (the Annual Payment)
VAT	Means value added tax at the prevailing rate due on any sum of money payable under or referred to in this Agreement

- 1.2 The headings appearing in this Agreement are for ease of reference only and shall not affect the construction of this Agreement.
- 1.3 References to statutes, regulations, orders, delegated legislation shall include any such instrument re-enacting or made pursuant to the same power.
- 1.4 References to the singular include the plural and references to any gender include all genders.

2. ANNUAL PAYMENT

- 2.1 The Operator will use its reasonable endeavours to notify Edinbane Community Co and Struan Community Trust of the anticipated Start Date (the "**Anticipated Start Date**") at least two months prior to the same.
- 2.2 The parties hereby acknowledge and confirm that the Operator has paid to each of Edinbane Community Co and Struan Community Trust the sum of £2,000 which totals £4,000.
- 2.3 Within 30 days of the Start Date the Operator will pay to Edinbane Community Co twice the Edinbane Share and to Struan Community Trust twice the Struan Share and thereafter on each Payment Date during the Payment Period the Operator will pay to Edinbane Community Co the Edinbane Share and to Struan Community Trust the Struan Share.
- 2.4 In the event that further consents (other than the Planning Permission) are granted and wind turbine generators are subsequently constructed which results in an installed capacity greater than 41.4MW which are operated by the Operator, the Operator shall be obliged (1) within one month of the commencement of such operation ("the New Start Date") to notify such increased Installed Capacity to Edinbane Community Co and Struan Community Trust and (2) within three months of the New Start Date to review the Annual Payment payable for any Installed Capacity greater than 41.4MW in accordance with the following formula:

Increase in Installed Capacity as at New Start Date (x) agreed Annual Payment payable at the New Start Date

Said reviewed Annual Payment to be payable for the period from the New Start Date.

3. APPLICATION OF THE ANNUAL PAYMENT

- 3.1 The Edinbane Community Co hereby undertake to spend the Edinbane Share and the Struan Community Trust hereby undertake to spend the Struan Share as follows:-
 - 3.1.1 Subject to Clause 3.1.2 to use the Annual Payment in accordance with the respective Articles and Memorandum of Association of Edinbane Community Co and the deed of trust of the Struan Community Trust and in particular to support and promote the following causes: Charitable, educational, community, environmental, renewable energy, energy efficiency, sustainable development and general community amenity schemes or projects, either capital or revenue; Not to use the Annual Payment:
 - (a) For the promotion of any specific political or religious purpose;
 - (b) To replace funding for projects already funded through the public sector (for the avoidance of doubt this does not include projects

where all funding through the public sector has ceased); or where Edinbane Community Co and / or Struan Community Trust can evidence to the satisfaction of the Operator that the funding through the public sector for such projects would not have been forthcoming from the public sector were it not for the availability of the Annual Payment.

- (c) To oppose, obstruct or object to the development, construction or operation of the Wind Farm or any other wind farm; or
- (d) For projects or activities that are contrary to the interests of the Operator or its shareholders.

3.2 The Articles and Memorandum of Association of Edinbane Community Co and the Deed of Trust of Struan Community Trust (together the "Founding Documents"), as attached in the Schedule shall not be amended without the prior written consent of the Operator, such consent not to be unreasonably withheld or delayed, Provided that nothing in this Clause shall prevent Edinbane Community Co or Struan Community Trust from using the Annual Payment to create an endowment fund or funds, a reserves fund or funds or from otherwise accumulating the Annual Payments from time to time.

3.3 In the event that Edinbane Community Co or Struan Community Trust propose to effect any changes to the Founding Documents, notification of the proposed changes shall be given to the Operator at least 42 days prior to the approval by Edinbane Community Co or Struan Community Trust as may be of such proposed changes and the Operator shall be entitled to make written representations in respect of the proposed changes within 21 days of receipt of notification of same.

3.4 The parties shall meet annually to review the operation of this Agreement. In the event that the Operator has any concerns as to the use of any part or the whole of the Annual Payment, it shall be entitled at any stage to notify its concerns to either Edinbane Community Co or Struan Community Trust or both and to require Edinbane Community Co or Struan Community Trust or both as the case may be to take such action in relation to these concerns, all parties acting reasonably.

3.5 The Edinbane Community Co and the Struan Community Trust shall as soon as reasonably practicable provide such information in relation to the matters contained in this Agreement (including, without limitation, information regarding the application of the Annual Payment) as the Operator shall request, Provided that nothing in this Clause shall require Edinbane Community Co or Struan Community Trust to disclose personal or commercially sensitive information in relation to any application for funding.

4. GENERAL

4.1 None of the parties hereto shall use any other party's name, trademarks, logos or other intellectual property rights in any way whatsoever without the prior written consent of that party.

4.2 The Operator shall have the right to assign or novate this agreement without the permission of any other party to:

4.2.1 A Group Company; or

4.2.2 Any third party to whom the Operator's interest in the Wind Farm is transferring,

and the other parties to this Agreement hereby consent to any assignation or novation contemplated by this Clause 4.2 and undertake to execute any documents necessary

to affect the assignation or novation. Provided that any assigned or novated agreement in terms hereof shall be on the same terms and conditions as this Agreement.

- 4.3 Without prejudice to the terms of Clause 4.2 the Operator can assign or novate this Agreement to any person with the written consent of the other parties to this Agreement (such consent not to be unreasonably withheld or delayed) and the parties to this Agreement undertake to negotiate in good faith to agree the terms of any such assignation or novation.
- 4.4 The Edinbane Community Co and the Struan Community Trust shall only be entitled to assign or otherwise deal with their interest in this Agreement with the prior written consent of the Operator.
- 4.5 Publicity – Edinbane Community Co and Struan Community Trust either individually or jointly shall agree in advance with the Operator the terms of any media statement to be made in relation to the Wind Farm provided that all parties shall act reasonably in relation to such. No media statement shall be made until the Operator has approved such statements.
- 4.6 All parties hereto shall use their best endeavours to promote the Wind Farm as a role model for other community wind farm projects.

5. **EARLY TERMINATION**

- 5.1 In the event that at any point after the Start Date the site fails to produce electricity for a period of 6 months or more or the Operator's Edinbane Lease and/or the Operator's Struan Lease are terminated or expires or the Planning Permission is terminated or expires for whatever reason, then this Agreement shall be terminated with immediate effect and no further Annual Payments shall be made.
- 5.2 In the event that, in the sole opinion of the Operator the Annual Payments have not been used effectively to benefit the communities in which the Edinbane Community Co and the Struan Community Trust operate, the Operator shall have the right to terminate this Agreement at any time on or after the Start Date upon giving at least twelve months' prior written notice to Edinbane Community Co and Struan Community Trust in which case the Operator shall not have any liability to Edinbane Community Co or Struan Community Trust from the date of expiry of that notice.

6. **FORCE MAJEURE**

- 6.1 In this Agreement force majeure will mean any cause preventing any party to this Agreement from performing any or all of its obligations which arises from or is attributable to acts, events, omissions or accidents beyond the reasonable control of the party so prevented including (without prejudice to the foregoing generality) fire, storm, tempest, lightning, other exceptionally inclement weather conditions, explosion, earthquake, war, hostilities, insurrection, labour lock-out, strikes, local combination of workmen and other industrial disputes, riot, civil commotion, disorder, decree of Government, non-availability of materials or equipment, delay by a local authority or statutory undertaker in carrying out work in pursuance of its statutory obligations or failure by such authority to carry out such work, unforeseen site conditions, subsidence, landslip, heave, malicious damage, terrorism and mechanical breakdown, loss or damage by aircraft and other aerial devices dropped from them or impact by vehicles or vessels or any other cause or circumstance.
- 6.2 If any party to this Agreement is prevented or delayed in the performance of any of its obligations under this Agreement by force majeure, that party will forthwith serve notice in writing on the other parties specifying the nature and extent of the circumstances giving rise to force majeure, and will, subject to service of such notice and having taken all reasonable steps to avoid such prevention or delay, have no

liability in respect of the performance of such of its obligations as are prevented by the force majeure events during the continuation of such events, and for such time after they cease as is necessary for that party, using reasonable endeavours, to recommence its affected operations in order for it to perform its obligations. The corresponding obligations of the other parties will be suspended to the same extent.

- 6.3 If the party is prevented by force majeure as described in Clause 6.2 from performance of its obligations for a continuous period in excess of 90 days, any party may terminate this Agreement forthwith on service of written notice upon the party so prevented, in which case no party will have any liability to any other party except that rights and liabilities which accrued prior to such termination shall continue to exist.

7. NOTICES

- 7.1 Any notice, intimation, request or consent under this Agreement shall be in writing and shall be sufficiently served if sent by recorded delivery post to:

7.1.1 In the case of the Operator at its Registered Office or Head Office

7.1.2 In the case of Edinbane Community Co at its Registered Office.

7.1.3 In the case of Struan Community Trust the residential address of the Chairman for the time being as shall be notified in writing by the Struan Community Trust to the Operator and the Edinbane Community Co.

Or such other place as may have been notified by any party to the other parties previously in writing.

8. DISPUTES

- 8.1 Any disputes, differences or questions in relation to this Agreement which arise between the parties hereto shall be referred to an arbiter (who shall act as an arbiter and not an expert) agreed upon by the parties but in default of such agreement to an arbiter with significant experience in relation to the subject matter of the relevant dispute appointed at the request of either party by or on behalf of the Chairman for the time being of the Scottish Branch of The Institute of Chartered Accountants (or his deputy), the Chairman for the time being of the Scottish Branch of The Institute of Chartered Surveyors (or his deputy) or the Chairman (or equivalent senior office holder or his deputy) of such other professional organisation as may be appropriate having regard to the nature of the relevant dispute. Section 3 of the Administration of Justice (Scotland) Act 1972 as amended is hereby expressly excluded in relation to any arbitration under this Agreement.

- 8.2 Where any disputes, differences or questions are referred to an arbiter in accordance with Clause 8.1 any of the parties to this Agreement shall be entitled to submit representations and cross representations with such supporting evidence as they shall respectively consider necessary and the arbiter shall have regard thereto in making his decision which he shall deliver in writing and the reference to him shall include authority to determine in what manner all costs of the referral shall be paid. It shall be an express condition of any reference to any arbiter that he shall be obliged to issue his decision within sixty days of the reference to him.

9. LAWS OF SCOTLAND

9.1 This Agreement shall be governed by and construed in accordance with Scots Law and the parties submit to the exclusive jurisdiction of the Scottish Courts. **IN WITNESS WHEREOF** these presents consisting of this page and the six preceding pages together with the Memorandum and articles of Association and the Deed of Trust annexed and signed as relative hereto are subscribed for and on behalf of the within named Vattenfall Wind Power Ltd by Anders Dahl, a Director thereof and Eva Somero Sorenson, Company Secretary thereof at Stockholm on the First day of February Two Thousand and Ten, for and on behalf of the within named Edinbane Community Company by Alistair Danter, a Director thereof, Roddy MacFarlane, a Director thereof and Stuart Whatley, a Director thereof at Edinbane on the Twenty-fourth day of February Two Thousand and Ten before these witnesses Roddy Macleod Gillies, One Old Post Office Row, Edinbane, Isle of Skye and John Macrae, Three Tank, Arnisort, by Portree, Isle of Skye and for and on behalf of the within named Struan Community Trust by Donald Gillies Beaton, Christine MacLennan Marion Jane Macaskill, Alison Mary Munro, Brian Morris, Duncan Eyre Mackinnon and John William Mackinnon all Trustees for the said Struan Community Trust at Struan on the Twenty-eighth day of June Two Thousand and Ten before this witness, Linda Ann Henderson of Tigh na Cnoc, Ullinish, Struan, Isle of Skye.

R. M. Gillies

J. Macrae

Linda Henderson

Linda Henderson

Linda Henderson

Linda Henderson

Linda Henderson

Linda Henderson

Linda A. Henderson.

Eva Somero Sorenson

A. Sorenson

A. Sorenson

R. Mac

Stuart Whatley

D. G. Beaton

Marion

Marion Macaskill

Christine G. MacLennan

D. Mackinnon

John William Mackinnon

Alison Mary Munro

These are the Articles and Memorandum of Association of
Community Co referred to in the foregoing Agreement between Vatterfall Wind
Power Ltd; Edinbane Community Company; and Struan Community Trust.
SC318756

THE COMPANIES ACTS 1985 - 1989

Signing Version

*Company limited by guarantee
and not having a share capital*

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**MEMORANDUM and
ARTICLES of ASSOCIATION**

Of

**EDINBANE
Community Company**

**As amended by Special Resolution
passed 23 January 2009**



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COMPANIES HOUSE

THE COMPANIES ACTS 1985 -1989

Company limited by guarantee and not having a share capital

MEMORANDUM of ASSOCIATION

The Memorandum of Association sets out the Objects of the Company and the Powers conferred upon it to enable it to achieve its Objects, confirms the limit of liability upon its Members and explains what is to happen to any surplus assets upon its dissolution.

	NAME
1.	The name of the company is "Edinbane Community Company" ("the Company").
	REGISTERED OFFICE
2.	The Registered Office of the Company is situated in Scotland.
	OBJECTS
3.	The Company has been formed to benefit the community of Edinbane as defined by the postcode units IV51 9PN; IV51 9PR; IV51 9PW; IV51 9PX; IV51 9PU; IV51 9PT; IV51 9PS; IV51 9RE; IV51 9PP; IV51 9NZ; IV51 9NY and IV51 9PA ("the Community") with the following objects ("the Objects"):
3.1	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.
3.2	To promote the benefit of the inhabitants of the Community, without distinction on grounds of race, political, religious, or other opinions, by associating with the local statutory authorities, voluntary organisations and inhabitants in a common effort to advance education and to provide, or assist in providing, facilities for recreation and other leisure-time occupation, following principles of sustainable development and in the interests of social welfare so that their conditions of life may be improved, where 'sustainable development' means development which meets the needs of the present without compromising the ability of future generations to meet their own needs.
3.3	To advance the education of the Community about its environment, culture and/or history.
	POWERS
4	The Company shall have the following powers, but only in furtherance of the Objects (and wherein reference to "property" means any property, assets or rights, heritable or moveable, wherever situated).
	General

4.1	To encourage and develop a spirit of voluntary or other commitment by, or co-operation with, individuals, unincorporated associations, societies, federations, partnerships, corporate bodies, agencies, undertakings, local authorities, unions, co-operatives, trusts and others and any groups or groupings thereof willing to assist the Company to achieve the Objects.
4.2	To promote and carry out research, surveys and investigations and to promote, develop and manage initiatives, projects and programmes.
4.3	To provide advice, consultancy, training, tuition, expertise and assistance.
4.4	To prepare, organise, promote and implement training courses, exhibitions, lectures, seminars, conferences, events and workshops, to collect, collate, disseminate and exchange information and to prepare, produce, edit, publish, exhibit and distribute articles, pamphlets, books and other publications, tapes, motion and still pictures, music and drama and other materials, all in any medium.
	Property
4.5	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").
4.6	To purchase, take on lease, hire, or otherwise acquire any property suitable for the Company and to construct, convert, improve, develop, conserve, maintain, alter and demolish any buildings or erections whether of a permanent or temporary nature, and manage and operate or arrange for the professional or other appropriate management and operation of the Company's property.
4.7	To sell, let, hire, license, give in exchange and otherwise dispose of all or any part of the property of the Company.
4.8	To establish and administer a building fund or funds or guarantee fund or funds or endowment fund or funds.
	Employment
4.9	To employ, contract with, train and pay such staff (whether employed or self-employed) as are considered appropriate for the proper conduct of the activities of the Company.
	Funding and Financial
4.10	To take such steps as may be deemed appropriate for the purpose of raising funds for the activities of the Company.
4.11	To accept subscriptions, grants, donations, gifts, legacies and endowments of all kinds, either absolutely or conditionally or in trust.
4.12	To borrow or raise money for the Objects and to give security in support of any such borrowings by the Company and/or in support of any obligations undertaken by the Company.
4.13	To set aside funds not immediately required as a reserve or for specific purposes.
4.14	To invest any funds which are not immediately required for the activities of the Company in such investments as may be considered appropriate, which may be held in the name of a nominee Company under the instructions of the Board of Directors, and to dispose of, and vary, such investments.
4.15	To make grants or loans of money and to give guarantees.
	Development
4.16	To establish, manage and/or support any other charitable organisation, and to make donations for any charitable purpose falling within the Objects.
4.17	To establish, operate and administer and/or otherwise acquire any separate trading company or association, whether charitable or not.

4.18	To enter into any arrangement with any organisation, government or authority which may be advantageous for the purposes of the activities of the Company and to enter into any arrangement for co-operation, mutual assistance, or sharing profit with any charitable organisation.
4.19	To enter into contracts to provide services to or on behalf of others.
	Insurance and Protection
4.20	To effect insurance of all kinds (which may include indemnity insurance in respect of Directors and employees).
4.21	To oppose, or object to, any application or proceedings which may prejudice the interests of the Company.
	Ancillary
4.22	To pay the costs of forming the Company and its subsequent development.
4.23	To carry out the Objects as principal, agent, contractor, trustee or in any other capacity.
4.24	To do anything which may be incidental or conducive to the Objects so long as these are charitable.
	CONSTRAINTS ON RETURNS TO MEMBERS
5.1	The income and property of the Company shall be applied solely towards promoting the Objects and do not belong to the members. Any surplus income or assets of the Company are to be applied for the benefit of the Community.
5.2	No part of the income or property of the Company shall be paid or transferred (directly or indirectly) to the members of the Company, or to any other individual, whether by way of dividend, bonus or otherwise, except in relation to Clause 5.4.
5.3	No Director shall be appointed as a paid employee of the Company.
5.4	No benefit (whether in money or in kind) shall be given by the Company to any member or Director except the possibility of:
5.4.1	repayment of out-of-pocket expenses to Directors (subject to prior agreement by the Board of Directors); or
5.4.2	reasonable remuneration to any member or Director in return for specific services actually rendered to the Company (not being of a management nature normally carried out by a director of a company); or
5.4.3	payment of interest at a rate not exceeding the commercial rate on money lent to the Company by any member or Director; or
5.4.4	payment of rent at a rate not exceeding the open market rent for property let to the Company by any member or Director; or
5.4.5	the purchase of property from any member or Director provided that such purchase is at or below market value or the sale of property to any member or Director provided that such sale is at or above market value.
	and in any such event the terms of Articles 39 - 41 shall specifically apply.
	LIMIT OF LIABILITY
6.1	The liability of all members of the Company is limited.
6.2	Every member of the Company undertakes to contribute such amount as may be required (not exceeding £1) to the property of the Company if it should be wound up whilst he, she or it is a member or within one year after he, she or it ceases to be a member (for whatever reason), for payment of its debts and liabilities contracted before he, she or it ceases to be a member, and of the costs, charges and expenses of winding up.

	DISSOLUTION
7.1	The winding-up of the Company may take place only on the decision of not less than 75% of its Ordinary Members who are present and voting at a General Meeting called specifically (but not necessarily exclusively) for the purpose.
7.2	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 Ordinary 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.
7.3	If no such community body or crofting community body is determined by the Ordinary members and approved by the Scottish Ministers in terms of Clause 7.2, such property referred to in Clause 7.2 shall be transferred to the Scottish Ministers or to such charity or charities as the Scottish Ministers may direct.
7.4	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.
	INTERPRETATION
8	The definitions included in Article 2 are incorporated into this Memorandum.

We, the Subscribers to this Memorandum of Association, wish to be formed into a limited company pursuant to this Memorandum.

Names and Addresses of Subscribers

1. _____

Name:

Address:

2. _____

Name:

Address:

3. _____

Name:

Address:

Dated:

Witness to the above signatures:

Name:

Occupation:

Address:

THE COMPANIES ACTS 1985 - 1989

Company limited by guarantee and not having a share capital

ARTICLES of ASSOCIATION

The Articles of Association provide the administrative constitution of the Company, establishing its membership, providing for meetings of members, establishing its board of management, providing for meetings of the board and confirming ancillary matters.

	DEFINITIONS and INTRODUCTORY
1	The regulations contained in Table C in the Companies (Tables A to F) Regulations 1985, as may be amended or re-enacted, shall not apply to the Company.
2	In these Articles of Association, the following definitions apply throughout: "Act" means the Companies Act 1985 as amended and every statutory modification and re-enactment thereof for the time being in force. "AGM" means an Annual General Meeting. "Article(s)" means this or these Articles of Association. "Board" means the Board of Directors. "Clear days" means a period excluding the day when notice is given and the day of the meeting. "Community" means the community area described in Clause 3 of the Memorandum. "Director(s)" means the director(s) for the time being of the Company. "EGM" means an Extraordinary General Meeting. "Memorandum" means the foregoing Memorandum of Association. "Organisation" means any unincorporated association, society, federation, partnership, corporate body, agency, undertaking, local authority, union, co-operative, trust or other organisation (not being an individual person). "Property" means any property, assets or rights, heritable or moveable, wherever situated in the world. "Subscribers" means those persons who have subscribed both the Memorandum and these Articles.
3	Words importing the singular number only shall include the plural number, and <i>vice versa</i> ; and words importing the masculine gender only shall include the feminine gender.
4	The Company is established to achieve the Objects.
	GENERAL STRUCTURE OF THE COMPANY
5	The structure of the Company comprises:
5.1	Members - comprising Ordinary Members (who have the right to attend the AGM and any EGM and have important powers under these Articles and the Act, who elect people to serve as Directors and take decisions in relation to any changes to these Articles), the Associate Members and the Junior Members; and

5.2	Directors - who hold regular meetings between each AGM, set the strategy and policy of the Company, generally control and supervise the activities of the Company and, in particular, are responsible for monitoring its financial position and, where there are no employees or managers appointed, are responsible also for the day-to-day management of the Company.
	MEMBERSHIP
6	The members of the Company shall consist of the Subscribers (being those Ordinary Members who sign the original Memorandum and Articles of Association) and such other persons and organisations as are admitted to membership in terms of these Articles.
7	Membership of the Company is open to:
7.1	Ordinary Members: those individuals aged 18 and over who: (a) are ordinarily resident in the Community; and (b) are entitled to vote at a local government election in a polling district that includes the Community or part of it; and (c) who support the Objects; declaring that, if an Ordinary Member ceases to comply with these criteria, he or she will be reclassified as an Associate Member and be notified of this by the Company.
7.2	Associate Members: those individuals who are not ordinarily resident in the Community <u>and those organisations wherever located</u> that support the Objects. Associate Members are neither eligible to stand for election to the Board nor to vote at any General Meeting.
7.3	Junior Members: those individuals who are aged between 12 and 17 who support the Objects. Junior Members are neither eligible to stand for election to the Board nor to vote at any General Meeting.
8	The following conditions apply to membership:
8.1	The Company shall have not fewer than 20 members at any time; and
8.2	The majority of the members of the Company shall consist of Ordinary Members;
	and, in the event that the number of members falls below 20 or that the majority of members of the Company does not consist of Ordinary Members, the Board may not conduct any business other than to ensure the admission of sufficient Ordinary Members to achieve the minimum number and/or maintain the majority.
9	The Board shall promptly consider applications for membership, made in such written form as it shall prescribe from time to time, determining if the terms of Article 7 apply and into which category of membership each applicant shall belong, and immediately thereafter shall approve any valid application provided the applicant is not excluded by virtue of Article 8 or has previously been a member of the Company and excluded from membership by virtue of Article 14.
10	The Board shall maintain a Register of Members, setting out the name and postal address of each member, the relative category of membership and the date of the member's appointment.
	MEMBERSHIP SUBSCRIPTIONS
11	The Ordinary Members may at any or each AGM fix the annual subscriptions (and, if relevant, different rates thereof for different categories).

12	Members shall be required to pay the appropriate annual membership subscription, where fixed. Only those members who have paid their current subscription, where fixed, are entitled to take part in and vote at any General Meeting.
13	An individual who, or organisation which, ceases to be a member (for whatever reason) shall not be entitled to any refund of membership subscription.
	CESSATION OF MEMBERSHIP
14	A member shall cease to be a member if:
14.1	he, she or it sends written notice of resignation to the Company; or
14.2	being an individual, he or she becomes insolvent or apparently insolvent or makes any arrangement with his or her creditors; or
14.3	being an organisation, it goes into receivership, goes into liquidation, dissolves or otherwise ceases to exist (the right of membership not being assignable); or
14.4	the annual subscription due remains outstanding for more than six calendar months (and provided that the member in question has been given at least one written reminder) and if the Board chooses to expel that member from membership; or
14.5	a resolution that a member be expelled is passed by a majority of at least 75% of the members present and voting at a General Meeting, of which not less than 21 days' previous notice specifying the intention to propose such resolution and the grounds on which it is proposed shall have been sent to all Directors, all members and the Company Secretary and also to the member whose removal is in question, such member being entitled to be heard at that meeting; or
14.6	being an individual, he or she dies (the right of membership not being assignable).
	GENERAL MEETINGS (Meetings of Members)
15	The Board shall convene an AGM in each year, at such time as it may determine, although the first AGM need not be held in the first year provided that it be held within 18 months after the date of incorporation of the Company. Thereafter, not more than 15 months shall elapse between one AGM and the holding of the next.
16	The business of each AGM shall include:
16.1	the report by the Chairman on the activities of the Company;
16.2	the election of Directors;
16.3	fixing of annual subscriptions;
16.4	the report of the auditor;
16.5	approval of the accounts of the Company; and
16.6	the appointment of the auditor.
17	The provisions with regard to EGMs are as follows:
17.1	all General Meetings, other than AGMs, shall be called Extraordinary General Meetings;
17.2	the Board may convene an EGM whenever it thinks fit; and
17.3	the Board must convene an EGM within 28 days of a valid requisition. To be valid, such requisition must be signed by not less than 10% of the Ordinary Members, must clearly state the objects of the meeting and must be delivered to the Registered Office. The requisition may consist of several documents in like form each signed by one or more requisitionists.

18	Subject to the terms of Articles 67 and 68, the provisions regarding notice of a General Meeting are as follows:
18.1	21 clear days' notice at the least shall be given of every General Meeting to each member, Director, the Company Secretary and the auditor;
18.2	the notice shall specify the place, the day and the hour of the General Meeting, the general nature of any business and the full text of any Special Resolutions in terms of Article 24;
18.3	the accidental omission to give notice of a General Meeting to, or the non-receipt of such notice by, any members, persons or organisations entitled to receive notice thereof shall not invalidate any resolution passed at or proceedings of any General Meeting.
	CHAIRMAN OF GENERAL MEETINGS
19	The Chairman of the Company, whom failing the Vice-Chairman of the Company (if any), shall act as chairman of each General Meeting. If neither the Chairman nor the Vice-Chairman is present or willing to act as chairman of the meeting within 15 minutes after the time at which the General Meeting in question was due to commence, the Directors present shall elect from among themselves one of the Elected Directors who will act as chairman of that meeting.
	QUORUM AT GENERAL MEETINGS
20	The quorum for a General Meeting shall be 10% of the Ordinary Members, present in person. No business shall be dealt with at any General Meeting unless a quorum is present.
21	If a quorum is not present within 15 minutes after the time at which the General Meeting was due to commence - or if, during a General Meeting, a quorum ceases to be present - the General Meeting shall stand adjourned to such time and place as may be fixed by the chairman of the meeting.
	VOTING AT GENERAL MEETINGS
22	The chairman of the meeting shall endeavour to achieve consensus wherever possible but, if necessary, questions arising shall be decided by being put to the vote.
23	The provisions regarding voting are as follows:
23.1	each Ordinary Member shall have one vote, to be exercised in person by a show of hands (unless a secret ballot is demanded by the chairman of the meeting, or by at least two Ordinary Members present at the meeting and entitled to vote, which may be demanded only before any show of hands takes place and shall be taken immediately at the same meeting, shall be conducted in such a manner as the chairman of the meeting may direct and the result of which shall be declared at the same meeting at which the ballot was demanded and, in that event, the chairman of the meeting shall appoint and instruct tellers, who may cast their own personal votes if Ordinary Members);
23.2	Associate and Junior Members shall have no vote;

23.3 An Ordinary Member shall be entitled to complete one form of proxy to appoint a proxy to attend a General Meeting on his or her behalf, in respect of which the following apply:

- (a) A proxy need not be a member.
- (b) A proxy appointed to attend and vote at any meeting instead of an Ordinary Member shall have the same right as the Ordinary Member who appointed him or her to speak at the meeting and to vote thereat.
- (c) The form appointing the Proxy shall be in the following form:

	Name of company:
	<p>I.....</p> <p>of.....</p> <p>being an Ordinary Member of the above Company hereby</p> <p>appoint.....</p> <p>of</p> <p>and, failing him or her,</p> <p>.....,</p> <p>of.....</p> <p>as my proxy to vote for me on my behalf at the (Annual/Extraordinary) meeting of the Company to be held on..... and at any adjournment thereof.</p> <p>This form is to be used in favour of/against the resolution.</p> <p>Signed.....day of</p> <p><i>Signature of member appointing proxy</i></p> <p>.....</p>

	<p>(d) The form appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a certified copy thereof shall be lodged at the Registered Office not less than forty-eight hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the form proposes to vote, and in default the instrument of proxy shall not be treated as valid.</p> <p>(e) No instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution, unless it expressly states to the contrary, in which event it shall be treated as valid until rescinded by the granter in writing at the Registered Office.</p> <p>(f) A vote given in accordance with the terms of a form of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed, provided that no intimation in writing of the death, insanity or revocation as aforesaid shall have been received at the Registered Office before the commencement of the meeting or adjourned meeting at which the proxy is used (not having been deliberately withheld).</p>
23.4	in the event of an equal number of votes for and against any resolution, the chairman of the meeting shall have a casting vote as well as any deliberative vote.
24	At any General Meeting a resolution put to the vote of the meeting shall be voted upon by a simple majority of the Ordinary Members who are present and voting thereon, except for decisions relating to any of the following Special Resolutions, which shall require to be decided upon by not less than 75% of the Ordinary Members present and voting thereon (no account therefore being taken of members who abstain from voting or who are absent from the meeting), namely:
24.1	to alter the name of the Company; or
24.2	to amend the Objects; or
24.3	to amend these Articles (subject to Article 72.2); or
24.4	to wind up of the Company in terms of Clause 7 of the Memorandum of Association; or
24.5	to purchase or sell or to grant a lease over any heritable property owned by or leased to the Company or any of its subsidiaries and to purchase or take the tenant's part in any lease or sub-lease of heritable property wherever situated; or
24.6	to form, acquire or dispose of any subsidiary; or
24.7	to create or issue or allow to come into being any mortgage, security, charge or other encumbrance upon any part or parts of the property or assets of the Company or to obtain any advance or credit in any form other than normal trade credit, or to create or issue by any subsidiary of any debenture or loan stock; or
24.8	all other Special Resolutions.
25	A resolution in writing signed by or on behalf of all or a sufficient majority of the Ordinary Members (as specified in terms of Article 24) shall be as valid and effective as if the same had been passed at a General Meeting of the Company duly convened and held. Such resolution may consist of several documents in the same form, each signed by or on behalf of one or more Ordinary Members.
26	The chairman of the General Meeting may, with the consent of a majority of the Ordinary Members present and voting thereat, adjourn the General Meeting to such time and place as he or she may determine.
	APPOINTMENT OF DIRECTORS

27	The affairs, property and funds of the Company shall be directed and managed by a Board of Directors. The Board may exercise all such powers of the Company, and may on behalf of the Company do all acts as may be exercised and done by the Company, other than those required to be exercised or done by the Ordinary Members in a General Meeting, and subject always to these Articles and to the provisions of the Act.
28	The number of Directors shall be not less than five. Unless otherwise determined by special resolution at a General Meeting (but not retrospectively) the number of Directors shall not be more than 13.
	Interim Board
29	Upon incorporation of the Company, the following applies with regard to the Interim Board of Directors:
29.1	The Subscribers (all of whom must be Ordinary Members), and any one or more individual persons whom they choose to co-opt as Co-opted Directors in terms of Article 34, shall comprise the Interim Board.
29.2	The Interim Board shall remain in office until the first General Meeting of the Company, to be held as soon as practicable after incorporation, at which time each Director on the Interim Board shall retire, but may remain eligible for election thereat (without the period of office between the date of incorporation and the first General Meeting counting as a term of office for the purposes of Article 32.4).
30	Employees of the Company may not be nominated as or become Directors.
	Composition of the Board of Directors
31	From and after the first General Meeting of the Company, the Board shall comprise:
31.1	up to nine individual persons elected as Directors by the Ordinary Members in terms of Article 32 ("the Elected Directors"), who must themselves be Ordinary Members; and
31.2	up to one individual person appointed by Skeabost District Community Council in terms of Article 33 ("the Appointed Directors"); and
31.3	up to three individual persons co-opted in terms of Article 34 ("the Co-opted Directors"), so as to ensure a spread of skills and experience within the Board.
	Elected Directors
32	At the first General Meeting held in terms of Articles 29.2 and 31, the Ordinary Members shall elect up to nine Elected Directors, in respect of which the following shall apply:
32.1	provided that the first General Meeting in terms of Article 29.2 is held before the first AGM, there shall be no change in or election of Directors at the first AGM (except to the extent of filling any vacancies in the Board left over after the first General Meeting or caused by any retirements since);
32.2	at the second and each subsequent AGM, one-third of the Elected Directors (or the nearest number upwards) shall retire from office;
32.3	a retiring Elected Director shall retain office until the close or adjournment of the meeting;
32.4	a retiring Director shall be eligible for re-election after one term of office, but no Director can serve more than two consecutive terms of office, without at least one year out of office before being eligible again;
32.5	if no other Director has or Directors have decided or agreed to retire, the Elected Directors to retire at each AGM shall be those who have been longest in office since their last election but, as between persons who were elected or last re-elected Directors on the same day, the one or ones to retire shall (unless they otherwise agree amongst themselves) be determined by lot;

32.6	nomination of any Elected Director, who shall himself or herself be (or be eligible to become) an Ordinary Member, shall be in writing by not less than any two Ordinary Members delivered to the Registered Office not less than 7 days prior to the date of the AGM in question and wherein the nominee shall confirm his or her willingness to act as an Elected Director if elected; and
32.7	election of any Elected Director shall be by vote of the Ordinary Members, each Ordinary Member having one vote for each vacancy in the Elected Directors on the Board.
	Appointed Directors
33	Up to one individual may be appointed by Skeabost District Community Council, in respect of which the following shall apply:
33.1	on receipt of the Notice for each AGM of the Company, including the first General Meeting held after incorporation, the said Skeabost District Community Council (or its successors) intimate the Director being appointed by it at the AGM, by written notice delivered to the Registered Office not less than 2 days before the start of the meeting, failing which any Director previously appointed by it shall remain in office; and
33.2	Skeabost District Community Council (or its successors) may appoint or remove its appointed Director at any time, by written notice to that effect delivered to the Registered Office not less than 2 days before the meeting at which the change is to take effect.
	Co-opted Directors
34	Up to three individuals may be co-opted from time to time by the Board of Directors itself, as follows:
34.1	subject to Article 34.3, a Co-opted Director shall serve until the next AGM after his or her co-option;
34.2	a Co-opted Director can be re-co-opted at such next AGM;
34.3	a Co-opted Director can be removed from office at any time by a simple majority of the Board; and
34.4	for the avoidance of doubt, a Co-opted Director may participate fully in and vote at all Board meetings which he or she attends.
35	The Board may from time to time fill any casual vacancy arising as a result of the retiral (or deemed retiral for any reason) of any Elected Director from or after the date of such retiral or deemed retiral until the next AGM.
36	The Board shall ensure that a Register of Directors is maintained, which sets out the full details of each Director as required for all registration purposes, including the date and type of appointment and the date of retiral.
	RETIRAL OF DIRECTORS
37	A Director shall retire or be deemed to retire if:
37.1	being an Elected Director, he or she ceases to be an Ordinary Member in terms of either Articles 7.1 or 14;
37.2	he or she becomes prohibited from being a director of a limited company by reason of any order made under the Company Directors Disqualification Act 1986 and every statutory modification and re-enactment thereof for the time being in force; or
37.4	he or she is employed by or holds any office of profit under the Company (except where the provisions of Clause 5.4.2 of the Memorandum shall apply); or

37.5	he or she becomes incapable for medical reasons of fulfilling the duties of a Director and such incapacity, as certified (if necessary) by two medical practitioners, is expected to continue for a period of more than six months from the date or later date of such certification; or
37.6	he or she is absent (without permission of the Board) from more than three consecutive meetings of the Board, and the Board resolves to remove him or her from office; or
37.7	by written notice to the Registered Office, he or she resigns as a Director.
	CHAIRMAN AND VICE-CHAIRMAN
38	The Board shall meet as soon as practicable immediately after each AGM to appoint a Chairman, and if desired a Vice-Chairman, from the Directors (both of whom must be Ordinary Members).
	PERSONAL INTERESTS
39	Any Director and/or employee who has a personal interest in any prospective or actual contract or other arrangement with the Company must declare that interest either generally to the Board or specifically to any relevant meeting of the Company. A personal interest includes not only the interest of the Director or employee in question, but also his or her partner, close relative or business associate, or any firm of which he is a partner or employee, or any limited company of which he is a director, employee or shareholder of more than 5% of the equity.
40	Additionally, the Board may resolve at any time to require all Directors and employees to deliver a Notice of Relevant Interests to the Registered Office, as they arise and at least annually. In that event, the Board shall determine from time to time what interests shall be relevant interests and shall ensure that a Register of Notices of Relevant Interests is maintained, which shall be open for inspection by both the Board and members of the Company and, with the express prior written approval of the Director or employee concerned, by members of the public.
41	Whenever a Director finds that there is a personal interest, as defined in Article 39, he or she has a duty to declare this to the Board meeting in question. It will be up to the chairman of the meeting in question to determine:
41.1	whether the potential or real conflict simply be noted in the Minutes of any relevant meeting, or
41.2	whether the Director in question, whilst being permitted to remain in the meeting in question, must not partake in discussions or decisions relating to such matter, or
41.3	whether the Director in question should be required to be absent during that particular element of the meeting and, in terms of Article 43, where a Director leaves, or is required to leave, the meeting he or she no longer forms part of the quorum thereat.
	QUORUM AT BOARD MEETINGS
42	The quorum for Board meetings shall be not less than 50% of all the Directors, provided that the Elected Directors are always in the majority at any Board meeting. No business shall be dealt with at a Board meeting unless such a quorum is present.

43	A Director shall not be counted in the quorum at a meeting (or at least the relevant part thereof) in relation to a resolution on which, whether because of personal interest or otherwise, he or she is not entitled to vote.
MEETINGS OF THE BOARD OF DIRECTORS	
44	Meetings of the Board may take place in person or by telephone conference call, video conference call or by any other collective electronic means approved from time to time by the Board.
45	Not less than 14 clear days' notice in writing shall be given of any meeting of the Board at which a decision in relation to any of the matters referred to in Article 24 is to be made, which notice shall be accompanied by an agenda and any papers relevant to the matter to be decided. All other Board meetings shall require not less than 7 days' prior notice, unless all Directors agree unanimously in writing to dispense with such notice on any specific occasion.
46	A Director may, and on the request of a Director the Company Secretary shall summon a meeting of the Board by notice served upon all Directors, to take place at a reasonably convenient time and date.
47	The Chairman, whom failing the Vice-Chairman (if any), shall be entitled to preside as chairman of all Board meetings at which he or she shall be present. If at any meeting neither the Chairman nor the Vice-Chairman is present and willing to act as chairman of the meeting within 15 minutes after the time appointed for holding the meeting, the remaining Directors may appoint one of the Elected Directors to be chairman of the Board meeting, which failing the meeting shall be adjourned until a time when the Chairman or Vice-Chairman will be available.
48	The chairman of the Board meeting shall endeavour to achieve consensus wherever possible but, if necessary, questions arising shall be decided by being put to the vote, on a show of hands only, each Director present having one vote. In the event of an equal number of votes for and against any resolution at a Board meeting, the chairman of the meeting shall have a casting vote as well as a deliberative vote.
49	The Board may delegate any of its powers to sub-committees, each consisting of not less than one Director and such other person or persons as it thinks fit or which it delegates to the committee to appoint. Any sub-committee so formed shall, in the exercise of the powers so delegated, conform to any remit and regulations imposed on it by the Board. The meetings and proceedings of any such sub-committee shall be governed by the provisions of these Articles for regulating the meetings and proceedings of the Board so far as applicable and so far as the same shall not be superseded by any regulations made by the Board. Such sub-committee shall regularly and promptly circulate, or ensure the regular and prompt circulation of, the minutes of its meetings to all Directors.
50	The Board shall cause minutes to be made of all appointments of officers made by it and of the proceedings of all General Meetings and of all Board meetings and of sub-committees, including the names of those present, and all business transacted at such meetings and any such minutes of any meeting, if purporting to be signed after approval, either by the chairman of such meeting, or by the chairman of the next succeeding meeting, shall be sufficient evidence without any further proof of the facts therein stated.
51	No alteration of the Memorandum or Articles and no direction given by Special Resolution shall invalidate any prior act of the Board which would have been valid if that alteration had not been made or that direction had not been given.

52	A resolution in writing (whether one single document signed by all or a sufficient majority of the Directors or all or a sufficient majority of the members of any sub-committee), whether in one or several documents in the same form each signed by one or more Directors or members of any relative sub-committee as appropriate, shall be as valid and effectual as if it had been passed at a meeting of the Board or of such sub-committee duly convened and constituted.
53	The Board may act notwithstanding any vacancy in it, but where the number of Directors falls below the minimum number specified in Article 28 may not conduct any business other than to appoint sufficient Directors to match or exceed that minimum.
54	The Board may invite or allow any person to attend and speak, but not to vote, at any meeting of the Board or of its sub-committees.
55	The Board may from time to time promulgate, review and amend any Ancillary Regulations, Guidelines and/or Policies, subordinate at all times to the Memorandum of Association and these Articles, as it deems necessary and appropriate to provide additional explanation, guidance and governance to members.
	COMPANY SECRETARY, MINUTE SECRETARY, TREASURER and PRINCIPAL OFFICER
56	The Board shall appoint a Company Secretary for such term and upon such conditions as it may think fit. The Company Secretary may be removed by the Board at any time.
57	The Board may appoint a Minute Secretary, for the purposes of Article 50, for such term, at such remuneration (if any), and upon such conditions as it may think fit. The Minute Secretary may be removed by the Board at any time.
58	The Board may appoint a Treasurer for such term and upon such conditions as it may think fit. The Treasurer may be removed by the Board at any time. Whilst in post, the Treasurer may be required to attend (but shall have no vote at) Board meetings during his or her tenure as Treasurer, except any part or parts thereof dealing with his or her employment or remuneration, or any other matter which the Board wish to keep confidential to itself.
59	The Board may appoint a Principal Officer of the Company on such terms (including a decision on the most appropriate job title) and conditions as it may think fit, who shall attend Board and Sub-Committee meetings as appropriate or required, but without any vote thereat.
	HONORARY PATRON(S)
60	The Ordinary Members in General Meeting may, on a proposal from the Board, agree to the appointment of one or more Honorary Patrons of the Company, who would be appointed either for such fixed period as the Ordinary Members determine or for an unspecified period until such appointment be terminated by them. The Honorary Patron or Patrons are entitled to notice of all General Meetings and to attend and contribute to discussion but not vote thereat.
	FINANCES
61	The banking account or accounts of the Company shall be kept in such bank or building society and/or banks or building societies as the Board shall from time to time determine.

62	All cheques and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the Board shall from time to time by resolution determine.
63	The Board shall ensure that all funds and assets of the Company are applied towards achieving the Objects.
	ACCOUNTS
64	The Board shall cause accounting records to be kept in accordance with the requirements of the Act and other relevant regulations.
65	The accounting records shall be maintained by the Treasurer (if there is one) and overseen by the Principal Officer (if there is one), or otherwise by, or as determined by, the Board. Such records shall be kept at such place or places as the Board shall think fit and shall always be open to the inspection of the Directors.
66	The accounts of the Company shall be audited regularly: either once in every year, or less frequently if a longer accounting period is provided for by the Act. An auditor shall be appointed for this task by the Board on the direction of members in General Meeting.
67	At each AGM, the Board shall provide the members with a copy of the accounts for the period since the last preceding accounting reference date or (in the case of the first account since the incorporation of the Company). The accounts shall be accompanied by proper reports of the Board and the auditor. Copies of such accounts shall, not less than 21 clear days before the date of the General Meeting at which they fall to be approved, be delivered or sent to all members, Directors, the Company Secretary and the auditor, or otherwise be available for inspection on the website of the Company (with all members, Directors, the Company Secretary and the auditor being made aware that they are so available for inspection there).
	NOTICES
68	A notice may be served by the Company upon any member, either personally or by sending it by post, fax, e-mail or other appropriate electronic means, addressed to such member at his or her or its address as appearing in the Register of Members.
69	Any notice, whether served by post or otherwise, shall be deemed to have been served on the day following that on which the letter containing the same is put into the post or is otherwise despatched.
70	The business of the Company and all its correspondence with and notification to or from members may be conducted equally validly and effectively if transmitted by fax or e-mail or other appropriate electronic means (except where a member specifically requests all such correspondence and notification by post) or otherwise if publicised on the website of the Company where the Company has advised each member of this and has taken due steps to notify by other reasonable means all other members who state that they do not have access to the Internet.
	INDEMNITY

71	Subject to the terms of the Act and without prejudice to any other indemnity, the Directors, or member of any sub-committee, the Company Secretary, Treasurer and all employees of the Company shall be indemnified out of the funds of the Company against any loss or liability (including the costs of defending successfully any court proceedings) which he, she or they may respectively incur or sustain, in connection with or on behalf of the Company and each of them shall be chargeable only for so much money as he or she may actually receive and they shall not be answerable for the acts, receipts, neglects or defaults of each other, but each of them for his or her own acts, receipts, neglects or defaults only.
	ALTERATION TO THE MEMORANDUM and ARTICLES OF ASSOCIATION
72	Any alteration to the Memorandum and/or these Articles may be made only upon the following conditions:
72.1	upon the decision of not less than 75% of the Ordinary Members present and voting at a General Meeting called specifically (but not necessarily exclusively) for the purpose in terms of Article 24;
72.2	with the written consent of IR Charities (and its successors) in confirmation that such changes shall not adversely affect the Company's recognition or registration as a Scottish charity.
	DISSOLUTION
73	Clause 7 of the Memorandum of Association of the Company, relating to the winding up and dissolution of the Company, shall have effect as if its provisions were repeated in these Articles.

Names and Addresses of Subscribers

1. _____

Name:

Address:

Lin Soren Sorenson
[Signature]

2. _____

Name:

Address:

A. J. [unclear]

[Signature]

[Signature]

3. _____

Name:

Address:

D. G. Beaton
[Signature]
Marion MacAskill
Ullinish

Christine G. MacLennan

D. MacLennan

[Signature]

Dated: 28.6.10

Witness to the above signatures:

[Signature]

Name: LINDA A. HENDERSON

Occupation: ACCOUNTS MANAGER

Address: TIGH NA CNOG
ULLINISH
STLUAN
ISLE OF SKYE
IV56 8FD.

This is the Deed of Trust of Struan Community Trust referred to in the foregoing Agreement between Vattenfall Wind Power Ltd; Edinbane Community Company; and Struan Community Trust

COPY

DECLARATION OF COMMUNITY BENEFIT TRUST

We, DONALD GILLIES BEATON residing at Creag A'Chlamhain, One Coillore, Struan, Isle of Skye IV56 8FX, CHRISTINE G MACLENNAN residing at Seven Balgown, Struan, Isle of Skye, IV56 8FA, MARION JANE MACASKILL residing at Sealladh Nan Eilean, Eabost, Struan, Isle of Skye, IV56 8FE, ALISON MARY MUNRO residing at Camusmor, Seven Ose, Struan, Isle of Skye, IV56 8FJ, BRIAN MORRIS residing at Eabost House, Five Eabost, Struan, Isle of Skye, IV56 8FE, DUNCAN EYRE MACKINNON residing at Seven Struamore, Struan, Isle of Skye, IV56 8FG and JOHN WILLIAM MACKINNON residing at Creagard, Struan, Isle of Skye IV56 8FG

hereinafter referred to as "the Trustees"); WHEREAS we wish to create a community benefit trust for the purposes of the objects hereinafter specified, WE HEREBY IRREVOCABLY DECLARE AS FOLLOWS:-

FIRST DEFINITIONS

In this Declaration of Trust the following terms shall have the following meanings:-

"the Board of Trustees" shall mean the Trustees and such other individuals assumed as Trustees in accordance with these presents

"the Community" shall mean all those whose permanent or main address is in the Struan Community Council Area as defined by the Local Authority and whose names are included in the Electoral Register for that area

"the Trustees" shall mean the Trustees and such other person or persons as may be assumed to act hereunder and the survivors or survivor of them.

"the Trust" shall mean the Trust hereby constituted which shall be known as the "Struan Community Trust"

"the Trust Fund" shall mean all funds and property which may be made over to the Trustees for the objects hereinafter specified, any accumulations of income therefrom and the investments and property representing the same from time to time.

SECOND EXPENSES

The Trustees shall pay all expenses which may be incurred by them or under their authority in connection with the Trust hereby created as the same shall be instructed by an account under their hands or by the discharged accounts thereof paid by their order without any other voucher.

THIRD OBJECT OF TRUST

The object of the Trust is to manage and administer the Trust Fund for the benefit of the Community.

The Trustees shall do all such lawful things as are incidental or conducive to the attainment of the stated object, in particular, by:-

- (1) – the prevention or relief of poverty
- (2) – the advancement of education
- (3) – the advancement of health
- (4) – the advancement of citizenship or community development
- (5) – the advancement of the Arts, Heritage, Culture or Science
- (6) – the advancement of public participation in sport
- (7) – the provision of recreational facilities, or the organisation of recreational activities, with the object of improving the conditions of life for the persons for whom the facilities or activities are primarily intended
- (8) – the advancement of environmental protection or improvement
- (9) – the relief of those in need by reason of age, ill health, disability, financial hardship or other disadvantage

The Trustees shall hold the Trust Fund at their sole discretion to make payment out of the income or capital of the Trust Fund for these objects or any of them or for such other purpose or purposes, solely in pursuit of the objects of the Trust.

FOURTH TRUSTEES

The Trustees shall amend the composition of the Trustees in accordance with Clause SEVENTH hereof.

FIFTH SURPLUS INCOME

Any income of the Trust Fund not expended in any year for the objects of the Trust may at the discretion of the Trustees be accumulated as the Trustees may determine but with power to resort thereto in future years.

SIXTH FAILURE OF PRIMARY OBJECTS

Should the Trust Fund be reduced at any time to an amount which in the opinion of the Trustees is such that the objects of the Trust cannot usefully be carried on, or if, at any time, the objects of the Trust shall fail or shall otherwise be incapable of fulfilment or if for any other reason the Trustees shall consider it expedient that the Trust shall be wound up, the Trustees shall (One) call a public meeting in accordance with the provisions of Schedule two annexed and executed as relative hereto and (two) pay, transfer or make over all funds held by the Trustees as part of the Trust Fund to such body or bodies or fund or funds solely or mainly for the promotion of

objects similar to the Objects set out above as determined and in accordance with the directions given by such meeting.

SEVENTH COMPOSITION OF TRUSTEES

7.1 Within twelve months of the date of creation of the Trust in terms hereof the Trustees shall procure that an Annual General Meeting shall be convened as a Public Meeting in accordance with the provisions of Schedule 2 annexed and executed as relative hereto. At the first such Annual General Meeting no member of the Board of Trustees shall require to offer himself / herself for re-election. At the second and subsequent Annual General Meetings, at least one third of the members of the Board of Trustees shall offer himself / herself for re-election.

7.2 If at any time following such an Annual General Meeting and before the subsequent Annual General Meeting, for any reason, any Trustee shall resign from office or die during tenure of office as a Trustee, the then current Trustees shall be entitled to co-opt to the Board of Trustees another individual to fill the vacancy created by such resignation or death, but in respect of any individual so co-opted, their period of office as a Trustee shall only last until the next subsequent public meeting when they shall demit office as a Trustee but shall be eligible for election as a Trustee at such next subsequent meeting.

7.3 No person shall act as a Trustee for a period in excess of six years without there being a period of at least one year when that person does not hold office as a Trustee.

SUPPLEMENTARY DEED

Provided that the prior consent to such has been obtained by a majority of the members of the Community at a meeting held for that purpose, the Trustees may from time to time by Deed or Deeds revocable or irrevocable supplement or alter or amend the provisions of this Deed to the extent (and to such extent only) as may in the opinion of the Trustees be requisite for the purpose of conferring on the Trustees such further or other powers as may be necessary for the better administration and more effectual execution of the trust hereby created.

EIGHTH TRUSTEES' POWERS

The Trustees shall have the fullest powers of administration and management of the Trust Fund and in particular and without prejudice to these general powers, the Trustees shall have the powers specified in the Schedule of Powers annexed and executed as relative hereto, such powers to be exercised or not exercised as the Trustees may decide in their sole and absolute discretion at any time and from time to time.

NINTH APPORTIONMENTS

All interest, dividends, rents and other periodical payments of income received by the Trustees after the date of these presents shall be regarded as wholly income of the Trust Fund and that without reference to the periods in respect of which the same are earned or paid and that notwithstanding the provisions of any Statutes dealing with apportionments and similarly on the sale or realisation of any part of the Trust Fund by the Trustees or on the purchase or acquisition by them of any other property heritable or moveable, real or personal, the whole of the proceeds of sale or realisation shall be treated as capital and all the interest, dividends, rents and others received subsequent to such purchase or acquisition shall be treated as income, there being no apportionment of such proceeds or interest, dividends, rents and others as between capital and income.

TENTH PERSONS TRANSACTING WITH TRUSTEES

Purchasers, tenants, debtors and others transacting with the Trustees shall be nowise concerned with the application of the sums to be paid by them to the Trustees or with any of the conditions and provisions contained in these presents nor shall they be entitled to notice or to enquire whether these sums be applied or not towards the uses and purposes of the Trust but they shall be sufficiently exonerated and discharged by the conveyances, discharges or other writings to be granted by the Trustees or by any factor, attorney, solicitor, accountants, stockbroker or agent duly authorised by them.

ELEVENTH FINALITY OF DISCRETIONARY POWERS

Whenever it shall be necessary in connection with the affairs of the Trust for the Trustees to exercise any discretionary power, whatever decision or resolution they may act upon shall be final and binding on all parties interested either directly or indirectly and the actings of the Trustees shall not be liable to be called in question upon any ground whatever except fraud.

TWELFTH TRUSTEES' IMMUNITY

The Trustees shall not be in any way liable for any loss suffered as a result of the exercise of any of the powers given to them by these presents or for any fall in value of or for the validity and sufficiency of investments, securities and others held by them or on their account whether made or retained by the Trustees or for omissions or for neglect in their management or for one another or for factors, attorneys, solicitors, accountants, stockbrokers, agents or others appointed or employed by them except that they were habit and repute responsible at the time of their appointment or employment but each for his or her own actual intromissions only provided always that such investments and management of the Trust are reasonably prudent having regard to the trusts upon which the Trust Fund is held.

THIRTEENTH IRREVOCABILITY

And we declare these presents to be irrevocable: And this Trust shall be governed by the law of Scotland: And we consent to registration of these presents for preservation and execution IN WITNESS WHEREOF these presents typewritten on this and the four preceding pages are together with the two Schedules annexed hereto subscribed by the said Donald Gillies Beaton, Christine G MacLennan, Marion Jane MacAskill, Alison Mary Munro, Brian Morris, Duncan Eyre Mackinnon and John William Mackinnon at Struan Primary School, Struan, Isle of Skye on the Twenty-fifth day of August Two thousand and nine in the presence of Murdo Neil Beaton of An Caridh, Struan, Isle of Skye, IV56 8FX.

D. G. Beaton

Christine G. MacLennan

Marion MacAskill

Alison Munro

Brian Morris

D. Mackinnon

John Mac

M. N. Beaton (WITNESS).

Signed on 25th August 2009
at Struan Primary School
Struan
Isle of Skye.

SCHEDULE ONE

This is the SCHEDULE of POWERS
referred to in the foregoing
DECLARATION OF TRUST

The following powers are to be exercised only in furtherance of the Objects of the Trust

1 To make grants and donations from the Trust Fund

To make grants and donations to any person, organisation or body, whether incorporated or unincorporated for such purposes as shall further the Objects of the Trust and in accordance with a Scheme of Grants and Donations to be approved at a Public Meeting in the Community to be convened in accordance with the provisions of Schedule Two annexed and executed as relative hereto or as may be varied from time to time by such a meeting.

2.1 To hold original assets or to sell

To hold any assets heritable or moveable, real or personal, which are transferred by the foregoing Declaration of Trust or which may subsequently be made over to the Trustees on feu, lease or by any other form of tenure or in any manner whatsoever or to sell or surrender the same and reinvest the proceeds if any.

2.2 To invest

To invest the Trust Fund in the purchase or on the security of such heritable or real property including rights under leases, corporeal or incorporeal moveables, investments, stocks, shares (including ordinary stocks and shares and including partly-paid shares), deposits and securities, real or personal (including bonds or securities payable to bearer) whether within the United Kingdom as the Trustees shall in their sole discretion think fit, it being the intention that the Trustees shall not be restricted to the class of investments authorised by law to Trustees but shall have as full and ample powers of investment as if they themselves were absolute owners of the Trust Fund and beneficially entitled thereto and in particular but without prejudice to the generality of the foregoing to make such provision by way of sinking fund or otherwise for the cost of repair, replacement or improvement of any property or interest in any property forming part of the Trust Fund from time to time.

3. To enter into agreements

To enter into partnerships or other forms of association, leases, tenancy agreements, operating agreements and any other agreements or arrangements whatsoever with such person or persons, company or companies, authority or authorities and upon such terms as the Trustees may think fit provided always that this power is exercised in furtherance only of the objects of this Trust.

4. To delegate powers of investment or management

To delegate in any way and to any extent to any person or persons, committee or committees, company or authority whatsoever the exercise of any of the powers of investment or management of the Trust Fund whether such powers are conferred herein or by law.

5. To create advisory councils

To create, should the Trustees so desire, an Advisory Council or Councils or Committee or Committees to act along with them and/or advise them on any or all of the objects of the Trust provided always that the creation, constitution, membership and continuance of any such Advisory Council or Committee or the individual membership thereof shall be entirely at the discretion of the Trustees.

6. To use nominees

To have registered in the names of a nominee all or any part or parts of the Trust Fund and to pay reasonable fees to such nominee.

7. To distinguish between capital and income

To decide what money represents capital and what represents income of the Trust Fund and the proportion in which the expenses of the Trust are to be charged against capital and income respectively, notwithstanding any rule of law or practice to the contrary, and all similar questions which may arise in relation to the Trust.

8. To pay taxes etc.

To expend both capital and income of the Trust Fund -

- a) for payment of all duties, rates, taxes, parochial burdens and other charges affecting or payable in respect of any property forming part of the Trust Fund; and
- b) for any purposes which the Trustees shall judge to be necessary or desirable for the administration, management, or improving of the Trust Fund or any part thereof.

9. To carry on business

To begin or carry on or join or concur in the beginning or carrying on of any business or businesses where such business or businesses would be in furtherance of the objects of this Trust

10. To promote companies

To promote or concur in the incorporation flotation or reconstruction or amalgamation of any company where such would be in furtherance of the objects of this Trust

11. To grant proxies

To grant proxies in favour of one or more of the Trustees or any other person or persons to attend, act and vote for the Trustees at all meetings of any company, corporation, trust or undertaking or in any bankruptcy proceedings in which the Trustees may be interested as shareholders, stockholders, debenture holders, creditors or otherwise or at any class meeting of shareholders, stockholders, debenture holders or creditors of such company, corporation, trust, undertaking or bankruptcy.

12. To settle claims

To settle all disputed claims competent to or against the Trust Fund.

13. To borrow money

To borrow money either on the security of the Trust Fund or without security and pay or apply the monies so raised in any manner in which money forming part of the capital of the Trust Fund may be paid or applied.

14. To make appeals

To organise, advertise and pay the expenses of any appeal for donations to the Trust Fund.

15. To procure grants etc

To apply for and obtain on such terms as the Trustees in their absolute discretion think fit grants and any other form of financial assistance including donations and to use the same and, if money, to pay or apply the same in any manner in which the Trust Fund may be used, paid or applied.

16. To open Bank Accounts

To open current or deposit accounts with any Bank and to make such arrangements for the operation thereof as the Trustees in their absolute discretion think fit and without being liable for any loss occasioned thereby including without prejudice to the foregoing generality arrangements as to the number of Trustees to be required to sign cheques (which in no case shall be less than two) drawn thereon and as to any maximum sum which may be withdrawn at any one time on such signature.

17. To appoint Agents, etc

To appoint one or more of the Trustees or any other person or persons to be factors, solicitors, accountants, stockbrokers or agents for executing and carrying into effect the powers and purposes of the Trust or any of them with or without cautioners for their intromissions and to allow to such factors, attorneys, solicitors, accountants, stockbrokers or agents for their trouble their usual professional charges or if they are not members of a profession such fees as are proper and reasonable as also to employ such specialist and clerical assistance as may be required for the proper and efficient administration and management of the Trust Fund.

18. To pay expenses

To reimburse the Trustees out of the Trust Fund for all expenses reasonably incurred by them in connection with the creation and administration of the Trust

without in any way prejudicing their rights, privileges and immunities as gratuitous trustees including the right to resign.

19. To co-opt Trustees

At any time between the Public Meetings held in terms hereof in the event of there being any resignation or death of any Trustee, the remaining Trustees shall have power to co-opt to the Board of Trustees another individual to fill the vacancy in terms of Clause SEVENTH.

20. To exercise powers conferred on Trustees by Statute

In so far as more ample powers are not given by these presents the Trustees shall have the powers conferred on trustees by the Trusts (Scotland) Acts, 1921 and 1961 and the Charities and Trustee Investment (Scotland Act 2005 and by any Acts amending the same relating to trustees in Scotland (which powers shall not be held to be at variance with the terms and purposes of this Trust), and

21. Subject to the prior approval of a public meeting convened in accordance with Schedule Two annexed and executed as relative hereto, to renounce irrevocably in whole or in part at any time and from time to time any power given to the Trustees by this Schedule.

This is the Schedule One referred to in the declaration of Community Benefit dated 25 August 2004.

D. G. B.

[Signature]

M. M. M.

AMM

DM.

[Signature]

A. V. J. J. J.

Clara Somers Sorenson
[Signature]
R. J. J.
[Signature]

SCHEDULE TWO

1 In terms of Clause SEVENTH, an Annual General Meeting will be held within twelve months of the date of the creation of the Trust and within every fifteen-month period thereafter and in respect of such Annual General Meeting and any Public Meeting convened by the Trustees, the following shall apply:-

- 1) The business of each AGM shall include: a report by the Chairperson on the activities of the Trust; consideration of the annual accounts; where necessary the election/re-election of members to the Board of Trustees.
- 2) The Board of Trustees must convene a special general meeting at any time, if called for by the Secretary or Chairperson, or if five members submit a request in writing. The Secretary shall arrange the meeting within 21 days and shall give ten days notice to all members by way of local advert.
- 3) At least 14 clear days' notice must be given of any general meeting.
- 4) No business shall be dealt with at any meeting unless a quorum is present; the quorum for a meeting of the Board of Trustees shall be five members, present in person.

The quorum for an Annual General Meeting or a Public Meeting shall be fifteen Members of the Community present in person.

- 5) If a quorum is not present within 15 minutes after the meeting start time, or if, during a meeting, a quorum ceases to be present, the meeting shall be adjourned to a time and place as may be fixed by the Chairperson.
- 6) If the Chairperson is not present within 15 minutes after the meeting start time, the members of the Board of Trustees shall elect someone from among themselves to act as Chairperson of that meeting.
- 7) All questions arising at any meeting shall be decided by a simple majority of votes cast. Every member shall have one vote, which (whether on a show of hands or on a secret ballot) must be given personally.
- 8) If there are an equal number of votes, for, and against, any resolution, the Chairperson shall be entitled to a casting vote.
- 9) If a secret ballot is demanded, it shall be taken at the meeting and shall be conducted in such a manner as the Chairperson may direct; the result of the ballot shall be declared at the same meeting.
- 10) The Board of Trustees shall ensure that minutes are made of all proceedings at all meetings; a minute shall include the names of those present, and (if possible) shall be signed by the Chairperson of the meeting.

11) A copy of all minutes shall be placed on public display and made available to all members on request.

This is the schedule referred to in the Declaration of Community Benefit set dated 25 August 2009

D. G. B.
[Signature]
[Signature]
AMM - AMM

DM.
[Signature]