

No. of Company: **SC261145**

The Companies Act 1985
**COMPANY LIMITED BY GUARANTEE
AND NOT HAVING A SHARE CAPITAL**

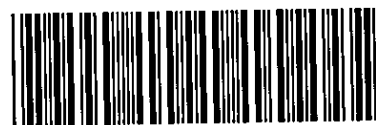
**MEMORANDUM
and
ARTICLES of ASSOCIATION
of
THE PAIRC TRUST**

MacLeod & McClurg w.s.
13 Lombard Street
Inverness

Tel: 01463242222

Date of Incorporation: 19th December 2003

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

**MEMORANDUM of ASSOCIATION
of
THE PAIRC TRUST**

1. The name of the Company (hereinafter called "the Company) is The Pairc Trust,
2. The Registered Office of the Company will be situate in Scotland.
3. This clause shall be interpreted as if it incorporated an over-riding qualification to the effect that in any case in which an activity permitted under this clause is in its nature capable of being carried on for purposes which are not charitable or only partially so as well as for purposes which are wholly charitable (the word "charitable" having the meaning ascribed to it for the purposes of Section 505 of the Income and Corporation Taxes Act 1988, including any statutory amendment or re-enactment for the time being in force, which meaning shall be assigned to the word "charitable" wherever it appears in this Memorandum of Association), the powers of the Company under this clause in respect of the carrying on of such activity shall be deemed to be limited to the carrying on of such activity in such manner as will not prejudice the charitable status of the Company under the statutory provisions referred to above.

Subject to the above over-riding qualification, the objects for which the Company is established are:-

A. to take all appropriate measures to conserve and regenerate the Pairc area of the Isle of Lewis through social and environmental works for the benefit of the Pairc crofting community. The Pairc crofting community comprises the crofting townships of Sheildinish and Seaforth Head, Habost, Kershader, Garyvard, Caversta and Torastay, Cromore, Marvig, Calbost, Gravir, Lemreway, and Orinsay, all in the Pairc area of the Isle of Lewis and consists of those persons who:-

- (i) are resident in the aforementioned crofting townships or
- (ii) being tenants of the crofts in those crofting townships, are resident in any other places within sixteen kilometres of those townships

And who are entitled to vote in local government elections in the polling district or districts in which that township or, as the case may be, these other places are situated.

And a "crofting township" means:-

(a) any two or more crofts which share the right to use a common grazing together with that common grazing and any houses pertaining to or contiguous to those crofts or that common grazing; or

(b) any combination of two or more crofting townships within that meaning,

B. to relieve poverty and provide help for the aged, handicapped and infirm and to act otherwise for the benefit of persons of all ages and to advance education and other charitable purposes beneficial to the community;

C. to provide or promote the provision of housing for people in necessitous circumstances and also specially designed or adapted housing as may be required for handicapped or disabled or infirm persons of any age;

D. to develop or promote the development of infrastructure for the benefit of the general public and the community to improve communications and related facilities throughout the Pairc area including piers, harbours, roads and bridges, provided always that any development or encouragement of such infrastructure and communications does not relieve the local authority of its statutory obligations.

All the objects above are to be exercised following the principles of sustainable development (where sustainable development means development which meets the needs of the present without compromising the ability of future generations to meet their own needs).

In furtherance of the above objects but not otherwise the Company shall have power:-

- (1) to purchase or by any other means acquire and take options over any property whatever and any rights or privileges of any kind over or in respect of any property including without prejudice to the foregoing generality the property, eligible croft land eligible additional land and the sporting interests of the Pairc Estate on the Isle of Lewis (hereinafter referred to as "the Estate") and if required to exercise all rights vested in the community under the Land Reform (Scotland) Act 2003 including the acquisition of the Estate, land and sporting interests eligible additional land and the interest of any tenant in tenanted land as defined in the said Act under the provisions of that Act or any amendment or re-enactment thereof.

- (2) to improve, manage, construct, repair, develop, exchange, let on lease or otherwise, mortgage, charge, sell, dispose of, turn to account, grant licences, options, rights and privileges in respect of, or otherwise deal with all or any part of any of the property rights of the Company including, without prejudice to the foregoing generality, exercising such powers in relation to the management of renewables;
- (3) to Invest and deal with the monies of the Company not immediately required In such manner as may from time to time be determined and to hold or otherwise deal with any investments made;
- (4) to lend and advance money or give credit on any terms and with or without security to any person, firm or company, to enter Into guarantees, contracts of Indemnity and suretyships of all kinds, to receive money on deposit or loan upon any terms and to secure or guarantee in any manner and upon any terms the payment of any sum of money or the performance of any obligation by any person, firm or company;
- (5) to borrow and raise money in any manner and to secure the payment of any money borrowed, raised or owing by mortgage, charge, standard security, guarantee lien or other security upon the whole or any part of the Company's property or assets (whether present or future). And also by a similar mortgage, charge, standard security, guarantee lien or security to secure the performance by the Company of any obligation or liability it may undertake or which may become binding on it;
- (6) to draw, make, accept, endorse, discount, negotiate, execute and issue cheques, bills of exchange or promissory notes, bills of lading, warrants, debentures and other negotiable or transferable instruments;
- (7) to apply for, promote and obtain any private Act of Parliament, Order or licence any government department or authority for enabling the Company to carry any of its objects into effect or for effecting any modification of the Company's constitution or for any other purpose which may appear directly or indirectly to promote the Company's interests and to oppose by whatever lawful means any proceedings or applications which may appear directly or indirectly to prejudice the Company's interests;

- (8) to enter into any arrangements with any Government or authority that may seem conducive to the attainment of the Company's objects or any of them and to obtain from any such Government or authority any charters, decrees, rights, privileges or concessions which the Company may think desirable and to carry out, exercise and comply with any such charters, decrees, rights, privileges and concessions;
- (9) to subscribe for, take, purchase or otherwise acquire, hold, sell, deal with and dispose of, place and underwrite shares, stocks, debentures, debenture stocks, bonds, obligations or securities issued or guaranteed by any other company constituted or carrying on business in any part of the world and debentures, debenture stocks, bonds, obligations or securities issued or guaranteed by any Government or authority, national, municipal, local or otherwise, in any part of the world;
- (10) to control, manage, finance, subsidise, co-ordinate or otherwise assist any company or companies in which the Company has a direct or indirect financial or other interest; to provide secretarial, technical, commercial and other services and facilities of all kinds for any such company or companies and to make payments by way of subvention or otherwise and any other arrangements which may seem desirable with respect to any business or operations of or generally with respect to any such company or companies;
- (11) to promote any other company for the purpose of acquiring the whole or any part of the property, undertaking or any of the liabilities of the Company or of undertaking any operations (including trading operations) which may appear likely to assist or benefit the Company or to enhance the value of any property of the Company and to place or guarantee the placing of, underwrite, subscribe for or otherwise acquire all or any part of the shares or securities of any such company as aforesaid;
- (12) to sell or otherwise dispose of the whole or any part of the property of the Company either together or in portions for such considerations as the Company may think fit and in particular in appropriate circumstances for shares, debentures or securities of any company purchasing the same;

- (13) to act as agents or brokers and as trustees for any person, firm or company;
- (14) to retain or employ staff, professional or technical advisers in connection with the objects of the Company and to pay reasonable and proper salaries, wages and fees for their services;
- (15) to pay all or any expenses incurred in connection with the promotion, formation and incorporation of the Company or to contract with any person, firm or company to pay the same;
- (16) to conduct appeals for money or other gifts or for any other assistance for any of the purposes of the Company and to solicit and accept subscriptions and donations of any kind and bequests for the purposes of the Company;
- (17) subject to Clause 4 hereof to grant or make provision for pensions, life assurance, health and retirement to or for employees or former employees and to the widows, widowers, children and other dependants of deceased employees and to pay or subscribe to funds or schemes for the provision of such pensions and other benefits for such persons;
- (18) to subscribe to become a member of, or co-operate with, any other charitable organisation, institution, society or body not formed or established for the purposes of profit (whether incorporated or not) in the United Kingdom whose objects are wholly or in part similar to those of the Company and which by its constitution prohibits or restricts the distribution of its income and property amongst its members to an extent at least as great as is imposed on the Company;
- (19) to establish and support or aid in the establishment and support of any charitable trust, association or institution and to donate, subscribe or guarantee money for charitable purposes in any way connected with or calculated to further any of the objects of the Company;
- (20) to arrange lectures and conduct training courses and to publish pamphlets, books, journals and other publications relating to the work of the Company;

- (21) to receive, allocate and administer grants, gifts or bequests made available to the Company for any or all of its objects whether from public funds or from private sources under the terms and conditions referable to such grants, gifts or bequests;
 - (22) to do all other such things as may further the attainment of the Company's objects or any of them. Provided that the objects of the Company shall not extend to the regulation of relations between workers and employers or organisations of workers and organisations of employers.
4. The income and property of the Company shall be applied solely towards the promotion of its objects as set forth in this Memorandum of Association and no portion thereof shall be paid or transferred directly or indirectly by way of dividend, bonus or otherwise howsoever by way of profit, to members of the Company and no member of its Board of Directors shall be appointed to any office of the Company paid by salary or receive any remuneration or other benefit in money or money's worth from the Company provided that nothing herein shall prevent any payment in good faith by the Company: -
- (1) of a reasonable and proper remuneration (including out of pocket expenses) to any member, officer or servant of the Company (not being a member of its Board of Directors) for any services rendered to the Company and to any member of the Board of Directors being a person suitably qualified in any professional, technical or other capacity useful to the Company who shall be entitled to charge and be paid all usual professional or other reasonable fees for specific work done in that capacity when instructed by the Board of Directors so to act on behalf of the Company;
 - (2) of interest on money lent by any member of the Company or its Board of Directors at a reasonable and proper rate per annum as shall be agreed from time to time by the Board of Directors;
 - (3) of reasonable and proper rent for any premises let by any member of the Company or its Board of Directors.

5. The liability of the members is limited.
6. Every member of the Company undertakes to contribute to the assets of the Company, in the event of the same being wound up while he is a member or within one year after he ceases to be a member, for payment of the debts and liabilities of the Company contracted before he 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 amongst themselves, such amount as may be required not exceeding £1.00.
7. 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. 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 crofting community body or bodies or 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 crofting community body or bodies or community body or bodies referred to above must also be a charity or charities. If no such crofting community body or community bodies is determined by the Ordinary Members and approved by the Scottish Ministers in terms of this Clause, such property referred to above shall, if charitable, be transferred to the Scottish Ministers or, if charitable, to such charity or charities as the Scottish Ministers may direct. In this Clause "community body" and "crofting community body" have the meanings ascribed to them respectively in Section 34 and Section 71 of the Land Reform Act and "charity" has the meaning ascribed to it in Section 71(8) of the Land Reform Act).

**COMPANY LIMITED BY GUARANTEE
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ARTICLES OF ASSOCIATION**

of

THE PAIRC TRUST

PRELIMINARY

1. (a) The Regulations contained in Table A in the Schedule of Companies (Tables A to F) Regulations 1985 as amended by the Companies (Tables A to F) Amendment) Regulations 1985 (such Table being hereinafter called Table A") shall apply to the Company save in so far as they are excluded or varied hereby and such Regulations (save as so excluded or varied) and the Articles hereinafter contained shall constitute the Articles of Association of the Company.

(b) Regulations 2 to 35 inclusive, 40, 41, 54, 55, 57, 59, 60 to 62 inclusive, 64 to 70 inclusive, 73 to 80 inclusive, 82,87,102 to 108 inclusive, 110,114,116 and 117 of Table A shall not apply to the Company.

INTERPRETATION

2. In Regulation 1 of Table A, the definition of "the holder" shall be omitted.

MEMBERS

3. The number of Members of the Company shall be not less than twenty. The maximum number of Members shall be unlimited. Notwithstanding that the number of Members is stated as being unlimited it is specifically provided that the majority of the members of the Company is to consist of persons in the Pairc Crofting Community as detailed in the foregoing Memorandum.
4. (a) The subscribers to the Memorandum of Association and such other persons as shall be admitted to membership in accordance with these presents shall be Members of the Company.

(b) Membership of the Company shall consist of two classes:-
 - (i) Ordinary Members who shall be individuals eligible to apply for membership in accordance with the Bye-Laws of the Company hereinafter referred to who shall apply to the Company for membership in such form as the Directors may require and who shall be approved by the Directors; and it is specifically provided that the majority of the members of the Company shall be members of the crofting community of the Pairc Estate.
 - (ii) Nominated Members who shall consist of such Individuals, institutions and organisations who support the objects of the Company whom the Board shall deem appropriate to be represented amongst the membership of the Company and shall so nominate for representation;

Ordinary and Nominated Members shall have equal voting rights at any General Meeting of the Company, but it is specifically provided that the Members of the Company who consist of persons in the Pairc Crofting Community shall have control of the Company.
- (c) Where the Board has decided that any individual, body or association should be admitted as a Nominated Member, it shall give notice to that individual, body or association of its decision. Such a body will be deemed to have been admitted as a Nominated Member with effect from the date on which that body has notified the Company of its acceptance of Membership. Each Nominated Member other than an individual shall appoint a representative who shall be entitled to be present and speak at meetings of the Company and to exercise all voting and other rights to which that Nominated Member is entitled. Each Nominated Member other than an individual shall notify the Company in writing of the name of its representative within twenty days of being admitted as a Nominated Member and shall notify the Company, in writing, of any change of representative.
5. Every Member of the Company shall if required by the Company pay an annual subscription fee. Until the first Annual General Meeting the scale of subscription fees and the dates of payment shall be fixed by the board. Thereafter the scale of subscription fees and the date for payment shall be fixed annually at the Annual General Meeting of the Company. Different levels of subscription fees may be set for Ordinary and Nominated Members and for individuals and organisations.

6. Any Member may resign from membership of the Company at any time on giving twenty eight clear days notice to the company of his intention to do so. On the expiry of twenty eight days from the date of receipt of such notice by the Company such Member shall cease to be a Member of the Company. Such Member shall not be entitled to demand repayment of any subscription fees for the unexpired period of membership and shall remain liable for any overdue and unpaid subscription fee.

7. Membership of the Company shall not be transferable and a Member shall cease to be a Member in the event of that Member dying, becoming bankrupt or, if a company, on the passing of a resolution for its winding up or if the annual subscription payable by the Member shall be unpaid for two months, or in the case of a Nominated Member, in the event of that Nominated Member ceasing to be so designated.

ASSOCIATES

8. (a) The Board shall have power to admit Associates who shall be such individuals, non-profit making or charitable bodies, commercial or other organisations whom the Board invite to be associated with the Company by becoming Associates in terms of these presents and who accept the Board's invitation.
 - (1) Associates shall not be Members of the Company.
 - (2) Associates may attend General Meetings of the Company but may not vote at such meetings.
 - (3) Associates shall not be eligible for election as Directors.
 - (4) The annual subscription fee if any payable by Associates shall be fixed by the Board.
 - (5) Associates shall remain such until resignation or prior termination at the discretion of the Board.

NOTICE OF GENERAL MEETINGS

9. In Regulation 38 of Table A:-

(1) in the first sentence the words "or a resolution appointing a person as a director" shall be omitted;

(2) In paragraph (b) the words "of the total voting rights at the meeting of all the members" shall be substituted for "in nominal value of the shares giving that right"; and

(3) the words "The notice shall be given to all the members and to the Directors and auditors" shall be substituted for the last sentence.

PROCEEDINGS AT GENERAL MEETINGS

10. All business shall be deemed special that is transacted at an Extraordinary General Meeting and also that is transacted at any Annual General Meeting with the exception of the consideration of the Financial Statements and Annual Report, the election of Directors, the fixing of the scale of annual subscription fees and the appointment of the Auditors or Reporting Accountants if required by law or at the Company's discretion.
11. No business shall be transacted at any general meeting unless a quorum is present. A quorum shall not be present unless twenty Members are present in person. A corporation, firm or unincorporated association being a Member shall be deemed to be present if represented by its representative.
12. If such a quorum is not present within half an hour from the time appointed for the meeting, the meeting if convened on the requisition of Members shall be dissolved. In any other case or if during a meeting such a quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week at the same time and place or to such other time and place as the Board determine, if at the adjourned meeting a quorum is not present within half an hour of the time appointed the meeting shall proceed to business.
13. The words "and at any separate meeting of the holders of any class of shares in the Company" shall be omitted from Regulation 44 of Table A.
14. Paragraph (d) of Regulation 46 of Table A shall be omitted.

VOTES OF MEMBERS

15. (a) On a show of hands every Ordinary Member and every Nominated Member who is entitled to vote and who, being an individual is present in person, or being a corporation, firm or other unincorporated association is present by a fully authorised representative shall have one vote and on a poll every Ordinary Member and every Nominated Member shall have one vote. Members may vote by written Proxy as provided for in this Article.

1. A Member who is unable to attend personally at a general meeting may grant to another Member who attends said meeting a written signed Proxy either General or Specific to any item of business to be transacted at such meeting. A copy of such written Proxy must be delivered to the Secretary not later than twenty four hours before the start of such meeting, otherwise such Proxy shall not be valid.

BOARD OF DIRECTORS

16. The minimum number of Directors shall be two. Unless otherwise determined by Ordinary Resolution of the Company the Board shall consist of not more than fifteen Directors up to ten of whom shall be elected by the Members in accordance with Article 17 (hereinafter referred to as Elected Directors) and up to two of whom may be appointed in accordance with Article 20 (hereinafter referred to as Co-opted Directors) and such further number not exceeding three of Nominated Directors as may from time to time be appointed Directors In accordance with Article 21.
17. The Elected Directors of the Company shall be elected by the whole body of Members at the Annual General Meeting. The Elected Directors shall be subject to retirement by rotation and one third or the number nearest to one third shall retire at every Annual General Meeting. Subject to the provisions of the Act, the Directors to retire by rotation shall be those who have been longest in office since their last appointment or reappointment, but as between persons who became or were last re-appointed Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.
18. If the Company, at the meeting at which an Elected Director retires by rotation, does not fill the vacancy the retiring Director shall, if willing to act, be deemed to have been reappointed unless at the meeting it is resolved not to fill the vacancy or unless a resolution for the re-appointment of the Director is put to the meeting and lost.

19. The board may from time to time appoint any Ordinary Member as an Elected Director to fill a casual vacancy arising in respect of an Elected Director. Any Director so appointed shall retain office only until the next Annual General Meeting but shall be eligible for re-election at that meeting.
20. The Board may at any time appoint any person who is willing to act to be a Co-opted Director of the Company whose Directorship they deem will be beneficial to the Company to hold office until such time as they determine provided that the number of Co-opted Directors may not exceed three at any one time.
21. The Board may at any time invite any Nominated Member of the Company to nominate one or more representatives to be appointed Directors (hereinafter referred to as Nominated Directors) for such period and on such conditions as the Board may determine and if any such invitation is extended and accepted such representatives shall be appointed Directors accordingly. Nominated Directors shall not be subject to retirement by rotation.

DIRECTORS' EXPENSES

22. The words "of any class of shares or" shall be omitted from Regulation 83 of Table A.

PROCEEDINGS OF DIRECTORS

23. The business of the Company shall be managed by the board who may pay all such expenses of and preliminary and incidental to, the promotion, formation, establishment and registration of the Company as it thinks fit and may exercise all such powers of the Company and do on behalf of the Company all such acts as may be exercised and done by the Company and as are not by Statute or by these presents required to be exercised or done by the Company in general meeting subject nevertheless to any regulations of these Articles, the provisions of the Statutes for the time being in force and affecting the Company and to such regulation or provisions as may be prescribed by the Company in general meeting but no regulation made by the company in general meeting shall invalidate any prior act of the board which would have been valid if such regulation had not been made.

The board shall be responsible for ensuring that there are prudent and proper arrangements for the financial management of the company and for the auditing of its accounts.

The Board shall cause accounting records to be kept in accordance with the requirements of the Companies Act and other relevant regulations.

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 thinks fit and shall always be open to the inspection of the Directors.

The accounts of the Company shall be prepared in full compliance with the provisions contained in both the Act and the Land Reform Act. The Board shall ensure that an audit of the accounts is carried out by an auditor, an audit (within the meaning of the Act) shall not be required in a case where the Company is exempt (under the Act) from the arrangement to have an audit, if and to the extent that proper arrangements for the auditing of the Company's accounts are made in a manner which satisfies the requirements of the Act and Section 71(1)(f) of the Land Reform Act, by a Company Auditor (as defined by the Act). Any such auditor shall be appointed for this task by the Board on the direction of Members in General Meeting.

At each Annual General Meeting, 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).

The board shall further be responsible for ensuring that any surplus funds or assets of the company are to be applied for the benefit of the Pairc Crofting Community but shall ensure that such application of funds or assets shall be charitable in law under Sections 505 and 506 of the Income and Corporation Taxes Act 1988.

24. The Board may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking and property or any part thereof and to issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.
25. In paragraph (c) of Regulation 94 of Table A the word "debentures" shall be substituted for the words "shares, debentures or other securities" in both places where they occur.

RULES OR BYE LAWS

26. The Directors may from time to time make such Rules or Bye Laws as they may deem necessary or expedient or convenient for the proper conduct and management of the Company and for the purposes of prescribing the conditions of membership and in particular but without prejudice to the generality of the foregoing they shall by such Rules or Bye Laws regulate:
 1. The admission of Members of the Company, and the rights and privileges of such Members, and the conditions of membership and terms on which Members may have their membership terminated.
 2. The procedures for nominating (but not electing) persons to serve as Directors of the Company.

3. The conduct of Members of the Company in relation to one another and to the Company's servants,
 4. The setting aside of the whole or any part or parts of the Company's premises at any particular time or times or for any particular purpose or purposes.
 5. The procedure at General Meetings and meetings of the Directors and Committees of the Company in so far as such procedure is not regulated by these presents.
 6. And, generally, all such matters as are commonly the subject matter of Company rules but at all times only in so far as such matters are not regulated by these presents.
27. The Company in General Meeting shall have power to repeal or alter the Rules or Bye Laws and to make additions thereto provided that special notice shall have been given to the Company of the intention to move a resolution to repeal or make any alteration or addition to the Rules or Bye Laws in accordance with Section 379 of the Act as if required by the Act. The Directors shall adopt such means as they deem sufficient to bring to the notice of Members of the Company all such Rules or Bye Laws, which so long as they shall be in force, shall be binding on all Members of the Company. Provided, nevertheless, that no Rule or Bye Law shall be inconsistent with, or shall affect or repeal anything contained in, the Memorandum or Articles of Association of the Company.

MINUTES

28. The words "of the holders of any class of shares in the Company" shall be omitted from Regulation 100 of Table A.

THE SEAL

29. In Regulation 101 of Table A the words "if any" shall be inserted after the words "The Seal".

NOTICES

30. The second sentence of Regulation 112 of Table A shall be omitted.
31. The words "or of the holders of any class of shares in the Company" shall be omitted from Regulation 113 of Table A

FIRST BYE-LAWS OF THE PAIRC TRUST

1. Ordinary Membership - Eligibility Condition

Subject to Clause 4 of the Company's Articles of Association, Ordinary Membership of the Company shall be open to all individuals over 16 years of age who are either

(1) resident (as hereinafter defined) within the Pairc Estate as defined by boundaries shown on the plan attached hereto, or

(2) resident within the Isle of Lewis and registered with the Crofters Commission as the tenant of a croft within the Pairc Estate, or

(3) resident elsewhere and registered with the Crofters Commission as the tenant of a croft within the Pairc Estate and actively working that croft.

For the purposes of the above "resident" shall mean

(1) actually residing at the qualifying address for not less than nine months out of every twelve, or

(2) having one's only permanent home at the qualifying address and residing there at all times other than (i) when working away from home for not more than three months at a time or on holiday or (ii) when following a course of full-time education, or

(3) having one's only permanent home at the qualifying address but being occupied full time as a member of Her Majesty's armed forces or in the merchant navy.

2. Ordinary Membership - Termination

(a) In addition to the circumstances outlined in Clause 7 of the Company's Articles of Association whereunder a Membership shall be automatically terminated a Member shall also cease to be a Member in the event of that Member ceasing to fulfil the eligibility condition for admission to Membership applying at the time of his or her admission. At the discretion of the Board any such former Member may be admitted as an Associate in accordance with Clause 8 of the Company's Articles of Association.

1. The Board may at any time suspend or terminate the Membership of any Member deemed to have acted or be acting against the interests of the Company. Any Member or former Member whose Membership is suspended or terminated under this bye-law may appeal for reinstatement at the next or any subsequent general meeting of the Company and attend and be heard at such meeting for the purpose of making such appeal.

3. Directors - Nomination Procedures

Subject to Clauses 16 to 20 of the Company's Articles of Association persons willing to serve as Elected Directors of the Company may be nominated by two of the Ordinary Members resident or having their only permanent home in or being tenant of a craft in Pairc as outlined by the boundaries shown on the plan attached hereto.

It shall be the responsibility of the Board to convene meetings of Ordinary Members (or prospective Ordinary Members in the case of the first election of Directors) from the defined area to regulate the proceedings at all such meetings.

