MINUTE OF AGREEMENT

between

THE SCOTTISH MINISTERS

and

CELTIC PLC

Subjects: 19.45 hectares at Lennox Castle Lennoxtown

FAS 4979
TWA 3998.68
MINUTE OF AGREEMENT

between

THE SCOTTISH MINISTERS ("the Ministers")

and

CELTIC PLC, a company incorporated under the Companies Acts (Registered Number 3487) and having its Registered Office at Celtic Park, Glasgow G40 3RE (hereinafter referred to as "the Purchaser")

WHEREAS

(FIRST) The Purchaser intends to acquire the Subjects for the development thereon of a Sports Academy (as defined below)

(SECOND) it has been agreed that the Subjects (as defined below) are to be subject to provision to enable the Ministers to share in any enhanced value which the Subjects might have or acquire if the Purchaser disposes of any part of the Subjects for any use which is not a Permitted Use in accordance with the remaining terms of this Agreement.

NOW THEREFORE the parties hereto AGREE as follows:

1 Definitions

1.1 In this Agreement the following definitions shall apply wherever the context so admits:

1.1.1 "this Agreement" means this agreement including the Plan;

1.1.2 "Clawback Payment" has the meaning conferred by Clause 3.3;

1.1.3 "Clawback Period" means the period of twenty five calendar years commencing on the Date of Entry;

1.1.4 "Disposal Contract" means any contract entered into by the Purchaser with a third party purchaser for value for the disposal of the Subjects or any part of them either following a Relevant Event or under which settlement will occur following a Relevant Event;

1.1.5 "Disposal Price" means following a Relevant Event the net price (being the price received under deduction of all roper and reasonable costs, fees, dues and expenses) received by the Purchaser from the purchaser under and pursuant to any Disposal Contract or otherwise;
1.1.6 "the Date of Entry" means [insert date of entry from the missives];

1.1.7 "the Expert" means the Expert appointed in terms of Clause 6;

1.1.8 "Material Commencement of Works" means the carrying out on the Subjects or any part thereof a "Material Operation" as defined in Section 27(4) of the Town & Country Planning (Scotland) Act 1997;

1.1.9 "Open Market Value" means the best price at which the sale of the subjects being valued would have been completed unconditionally for cash consideration on the date of valuation assuming:

1.1.9.1 a willing buyer and a willing seller;

1.1.9.2 that prior to the date of valuation, there had been a reasonable period (having regard to the nature of the property and the state of the market) for the marketing of the Purchaser's interest, for the agreement of the price and terms and for the completion of the sale;

1.1.9.3 that the state of the market, level of value and other circumstances were those prevailing on the date of valuation;

1.1.9.4 that no account is taken of any additional bid by a prospective purchaser with a special interest;

1.1.9.5 that both parties to the transaction had acted knowledgeably, prudently and without compulsion;

1.1.10 "the Parties" means the Ministers and the Purchaser;

1.1.11 "Permitted Use" means use as a Sports Academy;

1.1.12 "the Plan" means the plan annexed and executed as relative hereto;

1.1.13 "the Prescribed Rate" means the rate of interest which is four per centum (4%) a year above the base lending rate of the Governor and Company of the Bank of Scotland from time to time;

1.1.14 "Relevant Planning Consent" means planning consent or any variation of an existing planning consent prevailing at the time or any reserved matters approval pursuant to an existing planning consent, all for any use of the Subjects which does not fall within the definition of Permitted Use and which planning consent or variation or approval of reserved matters in all cases is not subject to any judicial review or other judicial challenge;

1.1.15 "Relevant Event" means the grant of a Relevant Planning Consent at any time during the Clawback Period;
1.1.16 "Sports Academy" means a sports and training facility incorporating, without prejudice to the foregoing generality the following in so far as they are part of such sports and training facility: a Sports Academy; gymnasium facilities; sports training and other fields, pitches, courts and other areas (both indoor and outdoor); swimming pools, hydrotherapy, massage and other therapy facilities; treatment and medical facilities; storage and garaging facilities; training and exercise areas; breakout, meeting and discussion rooms; administrative and other offices; catering facilities; wash and shower facilities and changing rooms; media and press conference facilities; viewing and spectator areas and facilities; rest and common room areas; class rooms and lecture areas; library and IT facilities; security and control rooms; creche and childcare facilities; all other associated uses, facilities and areas required by the Purchaser in connection with them together with as ancillary to the Sports Academy (i) use as a conference and education facility; (ii) leisure use associated with the Sports Academy; (iii) residential accommodation specifically related to the operation and use of the Sports Academy (which may include without prejudice to the foregoing serviced accommodation, self catering apartments and housing); (iv) restaurant, bar and other catering facilities (v) general office accommodation and facilities and (vi) any other reasonable ancillary use ancillary to and specifically related to the Sports Academy with the prior written approval of the Ministers and which approval shall not be unreasonably withheld or delayed;

1.1.17 "the Subjects" means the area of ground shown within the line coloured red on the Plan;

1.1.18 "Trigger Event" means the receipt by the Purchaser or someone on their behalf of a Disposal Price during the Clawback Period;

1.1.19 "Working Day" means any day when the clearing banks in Glasgow are open for normal business.

2 Interpretation

In this Agreement, unless there is something in the subject matter or context inconsistent therewith:

2.1 words importing the masculine include the feminine and words importing the neuter include the masculine and feminine;

2.2 wording importing the singular include the plural and vice versa;

2.3 other than where specific exception is made any reference to an Act of Parliament includes any modification, extension or re-enactment thereof for the time being in force and all instruments, orders, regulations, permissions and directions for the time being made or given thereunder or deriving validity therefrom;
2.4 headings of clauses or paragraphs are included in the Agreement for ease of reference only and shall not affect the interpretation or construction of the Agreement; and

2.5 references in this Agreement to any condition, clause, sub-clause or paragraph without further designation shall be construed as a reference to the condition, clause, sub-clause or paragraph of this Agreement so numbered.

3 Clawback

3.1 (a) In the event of there being obtained in respect of the Subjects or any part thereof at any time during the Clawback Period a Relevant Planning Consent then on each such occasion the Purchaser shall intimate the grant of the same to the Ministers and such grant (when the same is not subject to judicial review or other legal challenge) shall constitute a Relevant Event for the purposes of this Agreement;

(b) In the event of Material Commencement of Works on the Subjects or any part thereof, in implement of a planning permission for a use other than the Permitted Use such Material Commencement of Works shall constitute a Relevant Event for the purposes of this Agreement.

3.2 Following a Relevant Event the Purchaser shall disclose to the Ministers the material terms of any Disposal Contract then entered into including the Disposal Price likely to be received under it the Ministers being bound to treat such information as confidential.

3.3 Following each Relevant Event during the Clawback Period the Purchaser shall within 5 Working Days of the occurrence of a Trigger Event or if the Relevant Event is as described in Clause 3.1(b) within 5 Working Days of a Material Commencement of Works pay a sum of money (exclusive of VAT) ("a Clawback Payment") to the Ministers which shall be the greater of (i) £0 and (ii) a sum to be calculated as follows:-

3.3.1 ninety five per centum (95%) of A - B where the Relevant Event occurs in the period between the Date of Entry and the tenth anniversary of the Date of Entry (inclusive).

3.3.2 seventy five per centum (75%) of A - B where the Relevant Event occurs in the period between the first day after the tenth anniversary of the Date of Entry and the fifteenth anniversary of the Date of Entry (inclusive); or

3.3.3 sixty five per centum (65%) of A - B where the Relevant Event occurs in the period between the first day after the fifteenth anniversary of the Date of Entry and the twentieth anniversary of the Date of Entry (inclusive); or
3.3.4 forty per centum (40%) of A - B where the Relevant Event occurs in the period between the first day after the twentieth anniversary of the Date of Entry and the twenty fifth anniversary of the Date of Entry (inclusive).

where:

A = (subject to the proviso below) the Disposal Price (after deducting from A the whole proper and reasonable costs incurred or to be incurred by the Purchaser in obtaining the Relevant Planning Consent and entering into and procuring settlement under any Disposal Contract);

B = the Open Market Value of the Subjects immediately prior to the Relevant Event (disregarding any hope or expectation value).

PROVIDED that if the Relevant Event is that described in Clause 3.1 (b) above then for the purposes of the foregoing calculation the value of A shall be (a) the Open Market Value of the Subjects or that part thereof to which the planning permission referred to in that Clause relates on the date of Material Commencement of Works in implement of such planning permission or (b) should a Trigger Event follow such Material Commencement of Works the Disposal Price (after deducting from A the whole proper and reasonable costs incurred or to be incurred by the Purchaser in obtaining the Relevant Planning Consent and entering into and procuring settlement under any Disposal Contract) if higher.

3.4 The Purchaser shall be obliged to notify the Ministers of all applications made by or on behalf of or at the instance of the Purchaser (which will include for the avoidance of doubt any application made pursuant to a Disposal Contract) for a Relevant Planning Consent in respect of the Subjects, such notification to be accompanied by a copy of the relevant application, plans and specifications not less than 14 days prior to submission of such application. The Purchaser shall be bound to advise the Ministers forthwith of any material alteration to the said application, plans and specifications.

4 Non-release

The obligations hereby undertaken by the Purchaser shall not be considered as satisfied or discharged by any payment to account of any sum due in terms of this Agreement but shall constitute and be a continuing obligation to the Ministers until such time as the Purchaser is entitled to a discharge or other release total or partial in terms of this Agreement.

5 Miscellaneous

5.1 The powers available to the Ministers under this Agreement are in addition and without prejudice to and not in substitution for all other powers and remedies competent to the Ministers by statute or at common law or otherwise.

5.2 Any notice, demand for payment or other demand served in terms of the Agreement shall be in writing. Any notice to the Purchaser shall be sufficiently served if sent by Recorded Delivery post to its Registered Office. Any notice to the Ministers shall be sufficiently served if sent by Recorded Delivery post to the Chief Executive at Greater Glasgow Health Board Dallian House 350 St. Vincent Street Glasgow or to
such other person or persons at such other address or addresses as the Ministers may from time to time intimate in writing. Any notice sent by Recorded Delivery post shall be deemed duly served at the expiry of two business days after the date of posting. In proving service it shall be sufficient to prove that the envelope containing the notice was duly addressed to the appropriate party in accordance with this Clause 5.2 and posted to the place to which it was so addressed.

6 The Expert

6.1 If any question or difference or dispute arises between the parties in relation to a valuation matter arising out of the terms and conditions of this Agreement then such question, difference or dispute may be referred, at the instance of either party, to the decision of a Chartered Surveyor to be agreed upon by the parties, who will have suitable expertise in the valuation of residential and commercial land in the west of Scotland, will be a member of the Scottish Branch of The Royal Institution of Chartered Surveyors of at least 10 years’ standing, and shall act as an expert and not as an arbiter ("the Expert"). In the absence of agreement within fourteen days of written notice by either party to the other calling upon the other to agree on the person to be appointed as the Expert, either party may request the Chairman (or other senior office bearer) for the time being of the Scottish Branch of The Royal Institution of Chartered Surveyors to appoint the Expert. Within one month of the date on which the Expert is appointed, both parties shall be entitled to submit to the Expert written statements, valuations, submissions and other evidence relating to or supporting its assessment of the amount of the Open Market Value or other valuation concerned and each party shall be entitled to make written responses or counter arguments to the Expert on any such statements, valuations and others submitted by the other party.

The Expert shall be required to reach his decision within two months after the date of his appointment. Except in the case of manifest error or fraud, the decision of the Expert shall be final and binding on both parties. The cost of any proceedings in terms of this clause shall be borne equally between the parties unless the Expert shall decide that one party has acted unreasonably, in which case he or she shall have discretion as to costs.

6.2 The fees and expenses of the Expert so appointed from time to time shall be borne and paid by the Purchaser and by the Ministers equally unless otherwise determined in each case by the Expert and each party shall otherwise bear their own costs relating thereto.

7 Commencement Date

The obligations in this Agreement shall come into full force and effect on the Date of Entry and shall apply irrespective of the date of registration of the Purchaser’s interest in the Land Register and shall remain in full force and effect unless and until specifically discharged, varied or restricted.
8.1 The Ministers will if called upon by the Purchaser from time to time and without delay enter into such ranking or other agreements as are required by any third party funder of the Purchaser or their successor in connection with the Subjects ("a Funder") recording that all sums due and to become due to the Ministers hereunder (and which sums are to be secured by a second ranking standard security in favour of the Ministers over the Subjects ("the Standard Security")), and such security, shall be postponed and ranked behind all sums due and to become due, and any security or charge in connection therewith, to and in favour of any Funder.

8.2 On the earlier of (i) the date of expiry of the Clawback Period and (ii) the date of intimation and delivery of a validly executed new Clawback Agreement (or an assignment of this Agreement) and a replacement Standard Security pursuant to Clause 8.1, the Ministers shall deliver to the Purchaser a valid duly executed Discharge of the Standard Security, or where the provisions of part (ii) hereof applies and such assignment relates only to part of the Subjects a valid duly executed Deed of Restriction. On the date of delivery of such Discharge or Deed of Restriction then the Purchaser shall be deemed to be released from their obligations under this Agreement in relation to the whole or the relevant part of the Subjects, as the case maybe.

9 Assignation

The Purchaser shall be entitled and obliged, subject to written intimation of the same to the Ministers, to assign its interest in this agreement (in whole or in part) to any purchaser or successor as heritable proprietor of any part or parts of the Subjects (the "new purchaser") but that subject to (i) the new purchaser either, entering into with the Ministers a clawback agreement on identical terms to this Agreement, mutatis mutandis for the remaining term of the Clawback Period or accepting an assignment of the Purchaser's whole right title and interest hereunder and (ii) the new purchaser granting a Standard Security over such part or parts of the Subjects in identical terms, mutatis mutandis to the Standard Security as if references therein to the purchaser were references to the new purchaser.

10 Confidentiality

The Parties undertake to each other that no details of the transaction constituted or to be constituted by this Agreement will be published or otherwise disclosed to third parties (other than the Parties agents or as otherwise required by law and/or by the rules and regulations of the London Stock Exchange) without the prior written consent of both Parties, and the
Parties will promptly inform each other if a disclosure is required by law and will work with each other to restrict the extent of the disclosure: IN WITNESS WHEREOF these presents consisting of this and the seven preceding pages together with the plan annexed are subscribed for and on behalf of the said Celtic plc by Eric James Riley, one of its Directors, and Robert Morton Howat, the Company Secretary, together at Glasgow on the Twenty-seventh day of June Two thousand and six and they are subscribed for and on behalf of The Scottish Ministers by Thomas Andrew Divers, Chief Executive of Greater Glasgow Health Board and a duly Authorised Signatory at Glasgow on Twenty ninth June Two thousand and six in the presence of John Campbell Hamilton of Dalian House, 350 St Vincent Street, Glasgow.
DIRECTIONS FOR SIGNING DOCUMENTS RELATING TO LAND BY A COMPANY
(under the Law of Scotland)

COMPANY NAME: - CELTIC PLC

• The last page of the Document; **AND**
• Each page of any Plan or other Image annexed to the Document; **AND**
• The last page of each Schedule or other Written Annexation to the Document;
  SHOULD ALL BE SIGNED BY:-

(a) two Directors; or
(b) one Director and the Secretary; or
(c) two Authorised Signatories; or
(d) one Director in the presence of one Witness; or
(e) the Secretary in the presence of one Witness; or
(f) one Authorised Signatory in the presence of one Witness.

NOTES
1. The places for signing are indicated in pencil.
2. If method (a) or (b) or (c) is used, no Witness is required.
3. If method (d) or (e) or (f) is used, the Witness should only sign the last page of the
   Document, adding the word “Witness” after his or her signature. The Witness must not
   be under 16 years of age.
4. If method (c) or (f) is used, a certified copy of the Board Minute authorising signature
   by each Authorised Signatory should be supplied.
5. The application of the Company’s Seal is not necessary.

PLEASE GIVE THE FOLLOWING PARTICULARS IN BLOCK CAPITALS OR TYPESCRIPT:-

**ERIC JAMES RILEY**
(Full Name of first signatory)
**ROBERT MORTON HOWAT**
(Full Name of second signatory - if any)

Director/Secretary/Authorised Signatory*
(Official Position - **delete as appropriate**)

GLASGOW
(Place of signing - i.e. name of town or city)

27 JUNE 2006
(Date of signing)

**McCLURE NAISMITH**
Solicitors
292 St Vincent Street, Glasgow G2 5TQ
Tel: 0141 204 2700
Fax: 0141 248 3998

* (Full Name of Witness - if any)

(Official Position - **delete as appropriate**)

GLASGOW
(Place of signing - i.e. name of town or city)

27 JUNE 2006
(Date of signing)