STANDARD SECURITY

by

CELTIC PLC

in favour of

THE SCOTTISH MINISTERS

FAS 4979
TWA 3998.68
WE, CELTIC PLC, incorporated under the Companies Acts with Company Number 3487 and having our
Registered Office at Celtic Park, Glasgow, G40 3RE (hereinafter called "the Debtor") CONSIDERING
that the Debtor has entered into a Minute of Agreement ("the Agreement") with THE SCOTTISH
MINISTERS (who and whose successors and/or assignees whomsoever are hereinafter referred to as
"the Scottish Ministers") dated executed by us of even date with our execution of these presents
relative to the Security Subjects (as hereinafter defined); AND CONSIDERING THAT in terms of the
Agreement the Debtor is or may in certain circumstances be obliged to pay to the Scottish Ministers
certain sums of money (hereinafter referred to as "the Monetary Obligations") on the terms and
conditions specified in the Agreement; THEREFORE we the Debtor HEREBY BIND AND OBLIGE ourselves
to pay to the Scottish Ministers the Monetary Obligations in the amount or amounts, on the date or
dates and on and subject always to the terms and conditions specified in the Agreement and to
implement our other obligations in terms of the Agreement, including as specified in any agreement
between the Debtor and the Scottish Ministers supplementary to the Agreement, (all of which
foregoing obligations and undertakings (including, for the avoidance of doubt, the Monetary
Obligations) are hereinafter called the "Obligations"); For which Obligations we the Debtor hereby
grant a Standard Security in favour of the Scottish Ministers and their successors and assignees
whomsoever over ALL and WHOLE and WHOLE that site at the former Lennox Castle Hospital,
Lennoxtown, Stirlingshire extending to 19.45 hectares or thereby shown delineated in red on the
plan annexed and executed as relative hereto ("the Plan") (which subjects are hereinafter called
"the Site") and which subjects form part and portion of ALL and WHOLE that plot or area of ground
extending to One thousand two hundred and sixteen acres and eight hundred and sixty nine decimal
or one thousandth parts of an acre being the subjects (In the First Place) described in, disposed by
and delineated in red and marked Plot No. 1 on the Ordnance Survey Map No. 1 annexed and signed
as relative to Disposition by William George Pearreth Kincald Lennox in favour of the Parish Council
of the Parish of Glasgow dated Twelfth and recorded in the Division of the General Register of
Sasines applicable to the County of Stirling on Twenty seventh April both Nineteen hundred and
twenty eight; Together with (One) the whole heritable fixtures and fittings therein and thereon,
(Two) the parts, priviliges and pertinents thereof, including, without prejudice to the generality of
the foregoing, the access and other rights detailed in the said Disposition by William George
Pearreth Kincald Lennox in favour of the Parish Council of the Parish of Glasgow dated and recorded
as aforesaid, (Three) our whole right, title and interest present and future therein and thereto;
Together also with in so far as applicable to the subjects hereby disposed the servitude and other
rights specified and contained in (First) Notice of Title by the Secretary of State for Scotland
recorded in the said Division of the General Register of Sasines on Twenty first January Nineteen
hundred and forty nine; (Second) Deed of Servitude by Mrs Elizabeth Angus or Gilchrist in favour of
the Corporation of the City of Glasgow dated Eighteenth July and recorded in the said Division of
the General Register of Sasines on Twenty sixth August both Nineteen hundred and forty one,
(Third) Deed of Conditions by the Secretary of State for Scotland dated Twenty sixth November and
recorded in the said Division of the General Register of Sasines on Eighth December both Nineteen
hundred and ninety two, and (Fourth) Disposition by the Secretary of State for Scotland in favour of
Ian Daniel Williamson recorded in the said Division of the General Register of Sasines on Twentieth
August Nineteen hundred and eighty; Together also with the heritable and irredeemable servitude
rights of access, wayleave and tolerance set out in Part 1 of the Schedule annexed and executed as
relative to the disposition granted by the Scottish Ministers in our favour and registered or about to
be registered in the Land Register (which subjects hereby secured are hereinafter referred to as "the
Security Subjects"); the Standard Conditions specified in Schedule 3 of the Conveyancing and Feudal
Reform (Scotland) Act 1970 ("the Act") and any lawful variation thereof operative for the time being
shall apply save as varied by these presents; and we the Debtor hereby agree that the said Standard
Conditions shall be varied to the effect that:-
Standard Conditions 1 to 7 inclusive shall not apply.

We the Debtor shall not have any right to redeem the security hereby constituted other than as provided for in the Agreement and Standard Condition 11 shall be amended accordingly;

There shall be added in substitution for Standard Condition 6 a new condition as follows:

"It shall be an obligation on the debtor not in any way, without the prior consent in writing of the creditor, to (1) create any servitudes, wayleaves, third party rights or any burdens, conditions or restrictions and others affecting the security subjects other than in the ordinary course of carrying on the operation and development of the security subjects or which would otherwise materially prejudice the interest of the Scottish Ministers in the security subjects or (2) to transfer the security subjects under burden of a security."

There shall be added to Standard Condition 10 three new paragraphs (8), (9) and (10) as follows:

“(8) In the event of the creditor entering into possession of the security subjects as hereinbefore provided the creditor may apply for outline or detailed planning consent in respect of the security subjects or any part or parts thereof

(9) In the event of the creditor entering into possession of the security subjects as hereinbefore provided the creditor shall not be liable to the debtor for any costs, charges, losses, liabilities or expenses arising from or connected with any realisation by the creditor of the security subjects or from any act or omission of the creditor or its officers or employees in relation to the security subjects, other than any negligent acts, or from any exercise or non-exercise by the creditor of any right exercisable by it under these presents.

(10) The debtor shall vacate the security subjects and shall give the creditor immediate vacant possession thereof on the expiry of a period of fourteen days after being given notice by or on behalf of the Scottish Ministers to do so, such expiry date to be after the creditor shall have become entitled to enter into possession of the security subjects and the debtor agrees that a warrant of summary ejection may competently proceed against them in the Sheriff Court of the Sheriff Court District in which the security subjects are situated at the instance of the creditor; The creditor may at any time after entering into possession of the security subjects relinquish such possession on giving written notice to this effect to the debtor."

There shall be deemed inserted in Standard Condition 10 (6) after the words “maintain the market value of the subjects,” the words “and may complete or commence and carry through to completion any development of the subjects which in the creditor’s reasonable opinion shall increase the market value of the security subjects”.

Standard Condition 12 shall be varied to the effect that the Debtors shall not be responsible for the creditor’s expenses in the preparation and execution of this Standard Security.

And we, the Debtor agree that the following conditions shall apply to this Standard Security:
The powers available to the Scottish Ministers hereunder are in addition (subject always to the variations to the Standard Conditions contained herein) to all other powers and remedies competent to the Scottish Ministers by statute or at common law;

The Scottish Ministers' rights and powers arising under these presents whether expressed or implied shall not be prejudiced by any delay in enforcing such rights and powers or time being given to the Debtor or any other act done or omitted by the Scottish Ministers which might otherwise have been deemed a waiver of such breach nor shall any single or partial exercise of such right or power preclude any further exercise of the same or the exercise of any other right, power or remedy available to it;

The security constituted by this Standard Security shall be a continuing security notwithstanding the winding up dissolution or Incapacity of the Debtor or any settlement of account or other matter whatsoever and is in addition to and shall not merge with or otherwise release, prejudice or affect any contractual or other right or remedy or any security now or hereafter held by and available to the Scottish Ministers and shall not be in any way released, prejudiced or affected thereby or by the invalidity thereof or by the Scottish Ministers now or hereafter dealing with, exchanging, releasing, varying or abstaining from perfecting or enforcing any of the same or any rights which it may now or hereafter have or giving time for payment or indulgence or compounding with any other person, and whether the sums due under this Standard Security shall at any time be settled or repaid, the Obligations shall remain in full force and effect until discharged in writing by the Scottish Ministers.

Each of the provisions of this Standard Security is severable and distinct from the others and if at any time one or more of such provisions is or becomes invalid illegal or unenforceable the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby;

DECLARING THAT the words and expressions which are incorporated in these presents and which are defined in the Act or in the said Schedule 3 of the Act or in the Agreement shall be deemed to be so defined for the purpose of these presents; But declaring that where any conflicts arise between (a) the Standard Conditions as herein varied and (b) the conditions expressly contained in this Standard Security and in the Agreement, the conditions in this Standard Security and in the Agreement shall prevail and shall have effect in preference to the Standard Conditions; And we the Debtor grant warrantice but excepting therefrom Standard Security by us in favour of The Co-operative Bank p.l.c.
granted or about to be granted and to be registered in the Land Register; And we the Debtor consent to registration of these presents for execution: IN WITNESS WHEREOF these present consisting of this and the preceding three pages together with the plan annexed and executed as relative hereto are subscribed by the said Celtic plc by Eric James Riley, Director and Robert Morton Howat, Company Secretary, both at Glasgow on the Twenty seventh day of June Two thousand and six.