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10 January 2005

Private & Confidential

Tom Campbell
Chief Executive
Lennoxtown Initiative
51-53 School Lane
Lennoxtown
Glasgow
G66 7LX



Dear Mr Campbell

Upper Site – Former Lennox Castle Hospital

I write on behalf of and as instructed by Celtic Football Club ("the Club").

I thank you for the time spent meeting with representatives of the Club and arranging site visits to Lennoxtown.

Consequently, I have now received instruction from Celtic Football Club to examine this proposal further.

In essence, my client's interest is to acquire the site known as the Upper Site at the former Lennox Castle Hospital, Lennoxtown. It is our understanding that this site extends to around 16.19 Hectares (40 acres) or thereby.

The proposed use of the site would be to provide a world-class training facility (and ancillary support areas) for Celtic Football Club. This being so, the proposal would be to acquire the entire 16 hectare site to ensure the environment and space is compatible for that required for such a facility. This also recognises that reasonably substantial areas of the site may not be capable of being utilised because of ground or other conditions, for example, areas protected by Tree Preservation Orders.

The present model for the facility would stand comparison with those found at Manchester United, Ajax and Liverpool Football Clubs amongst others.

The training campus would likely include such facilities as an indoor training facility, physiotherapy treatment rooms, a multi-gym, a hydro pool, training and tactics rooms, catering facilities, lecture rooms, offices and possibly a media suite. Externally various full size pitches, training pitches and goal keeping training pitches would be provided over time.

It is my understanding that the site in question is subject to "green belt compatible" planning use categorisation. I can advise that our investigations on this issue so far indicate that a training facility such as our proposal would meet these criteria.

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I have been instructed to have an offer to purchase the site prepared by 31st January 2005.

I would ask you to note that the offer will be conditional and subject to, amongst other matters, on each of the following being satisfactory to Celtic:

1. Planning Permission
2. Meteorological reports
3. Engineering reports
4. Economic Appraisal

In terms of overall timescale, I have been asked to examine the feasibility to have the initial phase of the facility ready for the 2006-2007 football season.

In order that we may engage in a process to identify a price for the Upper Site, I would ask that we meet to instigate the following actions:

- 1.1 Confirmation of Gross Area
- 1.2 Agree areas affected by:
 - (i) TPO
 - (ii) Green belt
 - (iii) Landscaping
 - (iv) Roads
- 1.3 Agree Net developable areas
2. Determine ground conditions
 - (i) Existing foundation details
 - (ii) Ground capability
3. Determine services and utilities
4. Examination of Titles

Given the nature of media interest in my client, it is a condition of the proposal that the strictest confidentiality is maintained. Your cooperation in achieving that is appreciated.

Finally, as per our recent discussions I confirm that Celtic have instructed McGrigors solicitors to act on their behalf on this proposal and to prepare the initial draft offer.

Please note that this letter is not nor is it intended to be contractual in its effect.

I look forward to hearing from you.

Yours sincerely



Director