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Summary of Work Performed on Specific Cases *: 1/19

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Summary of Work Performed on Specific Cases *: 2/19

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Summary of Work Performed on Specific Cases *: 4/19

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Summary of Work Performed on Specific Cases *: 5/19

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Summary of Work Performed on Specific Cases *: 8/19

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United Health:

Established in 1987, United Health Group Limited was set up following a BIMBO in October 07 to deliver the core activities of (1) operational care homes (2) strategic purchase of land banks (3) construction of care homes and Close Care Units ("CCU's"). The Company currently has 2 Elderly care homes with a number of CCU's adjacent to these facilities as well as 9 specialist care centres.

Since the BIMBO the business has not performed to forecast mainly due to slow CCU sales in the weakening housing market.

In October 10, the Group breached its leverage covenant (6.5x with actual at 9.6x) predominantly driven by their failure to sell the CCU's in line with forecast. In a challenging market they have struggled to achieve the volume of sales at the prices forecast and have been unwilling to sell the flats at significantly reduced levels.

The group has tried to refinance with Santander in May 11 but fell through due to adverse market movements on the SWAP on the loan. RBS approached the customer with a credit approved restructuring proposal but this was rejected. The directors put forward an alternative arrangement which was rejected by RBS.

Given the failure to refinance with Santander and unwillingness to progress the structure approved the file was transferred to GRG on 23 June 2011.

The relationship between RBS and the United Health has strained due to the SWAP issue above. United Health feels forced into the top £5m slice of the £15m Swaps and believes that rate of the swaps was "miss-sold" and implemented at higher than market rates. United Health has threatened to take legal action against the bank in this regard and has recently instructed external advisors to engage with the bank in relation to this issue. This is currently being dealt with by GBM legal/, both are of the view that RBS has a strong defence in relation to the allegations.

RBS has sent the board a revised term sheet which gives United Health 12 months to repay the CCU loan of £4m and Land bank loan of £15m. This will be financed by either United solution selling CCU properties or equity injection. Covenants have been reset with the headroom of 10%.

GRG is waiting response back from the board regarding their agreement for the new terms.

Conclusion:

[redacted]

The Loan has been transferred to GRG but it is mostly due to strained relations with the United heath management. GRG has not recognised provision against the loan and this seems appropriate as the current valuation of security on which RBS has 1st legal charge is £22.5m. This valuation is on the basis of a forced sell off. Therefore at the current stage it is appropriate not to recognise any provision against the loan due to there not being a loss event to recognise a provision.

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Summary of Work Performed on Specific Cases *: 10/19

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Summary of Work Performed on Specific Cases *: 19/19

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