

**EXHIBIT 1**

**RECEIVER'S, CRO'S AND DEBTOR'S SECONDED AMENDED  
DISCLOSURE STATEMENT (MAY 27, 2010)**

**GLOSSARY**

## **EXHIBIT 1**

### **GLOSSARY**

Definitions of certain terms used in this Disclosure Statement are set forth below. Other terms are defined in the text of this Disclosure Statement. In each case, when a defined term is used, the first letter of each word in the defined term is capitalized. Terms used and not defined in this Disclosure Statement shall have the meanings given in the Bankruptcy Code or Bankruptcy Rules or otherwise as the context requires. The meanings of all terms shall be equally applicable to both the singular and plural, and masculine and feminine, forms of the terms defined.

1.1 "**Acquirer**" means BRE/SW Portfolio, LLC, a Delaware limited liability company.

1.2 "**Acquirer LLC Agreement**" means the limited liability company agreement to be executed by Rollover Member LLC and the other members of Acquirer on the Effective Date. The Acquirer LLC Agreement shall be in substantially the form and have substantially the content of the LLC Agreement attached to the Reorganization Plan as Exhibit 6.

1.3 "**Administrative Expense Claim**" means any Claim entitled to the priority afforded by Sections 503(b) and 507(a)(1) of the Bankruptcy Code.

1.4 "**Administrative Member**" has the meaning assigned to it in the Acquirer LLC Agreement.

1.5 "**Allowed**" means, when used to modify the term Claim, a proof of which has been timely Filed, and as to which no objection to the allowance thereof shall have been Filed, or as to which any objection shall have been so Filed, to the extent (a) such objection is resolved between such claimant and either Debtor or Receiver, (b) such Claim is allowed by a Final Order, or (c) such Claim is allowed by the Reorganization Plan.

1.6 **"Allowed Claim"** shall have the meaning ascribed to it in the Distribution Plan.

1.7 **"Allowed Lien Claim"** means an Allowed Claim that is secured by a statutory lien or a judicial lien on property of Debtor's estate to the extent of the value (as set forth in the Reorganization Plan or, if no value is specified, as determined in accordance with Section 506(a) of the Bankruptcy Code) of the interest of the holder of such claim in Debtor's interest in such property.

1.8 **"Allowed Secured Claim"** means an Allowed Claim that is secured by a lien, security interest or other charge against or interest in property in which Debtor has an interest or that is subject to setoff under Section 553 of the Bankruptcy Code, to the extent of the value (as set forth in the Reorganization Plan, or if no value is specified, as determined in accordance with Section 506(a) of the Bankruptcy Code or, if applicable, Section 1111(b) of the Bankruptcy Code) of the interest of the holder of such Claim in Debtor's interest in such property or to the extent of the amount subject to setoff, as the case may be.

1.9 **"Allowed Unsecured Claim"** means an Allowed Claim that is not an Allowed Secured Claim (subject to the terms of the APA).

1.10 **"APA"** means the Agreement of Purchase, Sale and Contribution dated as of January 15, 2010 between Debtor and Acquirer, as amended by Amendment No. 1 to Agreement of Purchase and Sale and Amendment No. 2 to Agreement of Purchase, Sale and Contribution, as approved by the Auction Order and the Sale Order (a copy of which, without exhibits or schedules, is attached to the Reorganization Plan as Exhibit 4) as such may further be amended prior to the Confirmation Date and approved in the Confirmation Order.

1.11 **"Assumed Executory Contracts and Unexpired Leases"** means the executory contracts and leases listed on Exhibit 5 to the Reorganization Plan. Exhibit

5-1 lists the Assumed Holdco Executory Contracts and Unexpired Leases. Exhibit 5-2 lists the Assumed Trustco Executory Contracts and Unexpired Leases.

1.12 "**Auction Order**" means the Order Approving Auction Process, Bidding Procedures, Overbid Protection, Break-Up Fee and Expense Reimbursement, and Approving Form and Manner of Notice and Scheduling a Hearing for Final Approval of the Sale entered in this Bankruptcy Case on March 29, 2010.

1.13 "**Avoidance Actions**" means the process to recover funds or other property from a transferee that is the equivalent of a preference, fraudulent conveyance, or similar relief, including, without limitation, any Avoidance Actions that could have been brought by the HFG Parties or any of their respective creditors or bankruptcy trustees, with respect to any property or transactions related to the Sunwest Enterprise.

1.14 "**Bankruptcy Case**" means this case under Chapter 11 of the Bankruptcy Code with respect to Debtor, pending in the United States District Court for the District of Oregon.

1.15 "**Bankruptcy Code**" means the Bankruptcy Reform Act of 1978, as amended from time to time, set forth in Sections 101 et seq. of Title 11 of the United States Code.

1.16 "**Bankruptcy Fee Claim**" has the meaning set forth in Section **Error! Reference source not found.** of this Disclosure Statement.

1.17 "**Bankruptcy Rules**" means, collectively, the Federal Rules of Bankruptcy Procedure, as amended and promulgated under Section 2075, Title 28, of the United States Code, and the local rules and standing orders of the Bankruptcy Court.

1.18 "**Bare Land Property**" means a property in which Debtor has an interest that is a bare land asset with no substantial improvements in a stage of entitlement or development as listed on either Exhibit 4 or Exhibit 6 to the Distribution Plan.

1.19 "**Bare Land TIC**" means a TIC with a TIC interest in Bare Land Property.

1.20 "**Bare Land TIC Election**" means the election to withdraw a Bare Land Property from Debtor's estate pursuant to the Reorganization Plan and the Order Approving Bare Land Election Terms of the Distribution Plan of Receiver and Chief Restructuring Officer for Sunwest Enterprise entered in the SEC Enforcement Action on April 28, 2010.

1.21 "**Break-Up Fee**" has the meaning set forth in Section VI.A of this Disclosure Statement.

1.22 "**Business Day**" means a day other than a Saturday, Sunday or other day on which banks in Portland, Oregon, are authorized or required by law to be closed.

1.23 "**Cash**" means lawful currency of the United States of America.

1.24 "**Cash Consideration Amount**" means Cash in amount equal to the Cash/Equity Portion of the Purchase Price less the Rollover Equity Amount.

1.25 "**Cash/Equity Portion of the Purchase Price**" shall have the meaning assigned to it in Section 2.2(a) of the APA.

1.26 "**Chief Restructuring Officer**" means Clyde Hamstreet, in his capacity as Chief Restructuring Officer for the Receivership Entities pursuant to the Receivership Order.

1.27 "**Claim**" means (a) any right to payment from Debtor arising before the Effective Date, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured; or (b) any right to an equitable remedy against Debtor arising before the Effective Date for breach of performance if such breach gives rise to a right of payment from Debtor, whether or not such right to an equitable remedy is

reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured.

1.28 "**Claimant**" shall have the meaning assigned to it in the Distribution Plan.

1.29 "**Claims Bar Date**" means April 30, 2010.

1.30 "**Class**" means one of the classes of Claims defined in Article 3 of the Reorganization Plan and Section VIII.B of this Disclosure Statement.

1.31 "**Closing**" means the performance and satisfaction by Debtor and Reorganized Company of all obligations and conditions necessary to accomplish the transactions as contemplated by the APA.

1.32 "**Closing Date**" means the date set forth in Section 8.1 of the APA.

1.33 "**Code**" means the Internal Revenue Code of 1986, as amended.

1.34 "**Collateral**" means any property in which Debtor has an interest that is subject to a lien or security interest securing the payment of an Allowed Secured Claim or an Allowed Lien Claim.

1.35 "**Common Interests**" means the common interests of Acquirer as more specifically described in the Acquirer LLC Agreement.

1.36 "**Common Rollover Election**" means the rights of Investors to elect to contribute their interests in property or Claims in exchange for the issuance of common interests in Rollover Member LLC, which will, in turn, contribute such property interests to Acquirer as provided in the Reorganization Plan and the APA.

1.37 "**Confirmation Order**" means the order of the Court confirming the Reorganization Plan in accordance with the provisions of Chapter 11 of the Bankruptcy Code and consistent with the definition of "Sale Approval Order" as defined in the APA.

1.38 "**Consolidation Motion**" means the motion that the CRO filed with the Court requesting the substantive consolidation of the Receivership Entities.

1.39 "**Court**" means the United States District Court for the District of Oregon. The terms Court and Bankruptcy Court as used herein will have the same meaning.

1.40 "**Creditor**" means any entity holding a Claim against Debtor.

1.41 "**CRO**" means Clyde Hamstreet, in his capacity as Chief Restructuring Officer for the Receivership Entities pursuant to the Receivership Order.

1.42 "**Debtor**" means Stayton SW Assisted Living, L.L.C., the entity into which the assets and liabilities of the Sunwest Entities are consolidated as (a) provided in the Distribution Plan Approval, and (b) ordered by the Court in the Substantive Consolidation Order. For the avoidance of doubt, all uses of the term "Debtor" in the Reorganization Plan include all Sunwest Entities, unless otherwise expressly excluded in a particular location.

1.43 "**Defendants**" means SMI, Canyon Creek Development, Inc., Canyon Creek Financial, LLC, and Harder, the named defendants in the SEC Enforcement Action against whom federal securities law violations are alleged and against whom injunctive and monetary relief is sought by the SEC.

1.44 "**Disclosure Statement**" means Receiver's, CRO's and Debtor's Second Amended Joint Disclosure Statement, as amended, modified, restated or supplemented from time to time, pertaining to the Reorganization Plan.

1.45 "**Disgorgement of Ill-Gotten Gains**" means the right of a federal equity receiver to recover commissions, fees, distributions, and profits from parties who participated in the solicitation of or defrauding of investors.

1.46 "**Distributed Estate Property**" has the meaning set forth in Section X.A.2 of this Disclosure Statement.

1.47 "**Distribution Plan**" means the Court-approved terms submitted by the Receiver and CRO that address how, when, by what method, and in what priority Plan Distributions on Allowed Claims will be equitably distributed by the Receivership

Estate in partial or full satisfaction of Allowed Claims. A copy of the Distribution Plan Approval and the attached Distribution Plan (without exhibits) is attached to the Reorganization Plan as Exhibit 1.

1.48 "**Distribution Plan Approval**" means the Order entered by the Court approving the terms of the Distribution Plan. A copy of the Distribution Plan Approval is attached to the Reorganization Plan as Exhibit 1.

1.49 "**Divestco Properties**" means and includes all Facilities and other real property in which Debtor has an interest on the Effective Date that are not Holdco Properties or Trustco Properties.

1.50 "**Divestco Properties Offering**" has the meaning set forth in Section X.A.2 of this Disclosure Statement.

1.51 "**Effective Date**" means the date on which all conditions to effectiveness specified in Section 10.4 of the Reorganization Plan have been satisfied or waived.

1.52 "**Electing Bare Land TIC**" means a Bare Land TIC that holds a minimum of 85% of the TIC Interests in a Bare Land Property who is eligible to make a Bare Land TIC Election and does make a Bare Land TIC Election.

1.53 "**Election Notice**" means the election notice form approved by the Court that is enclosed with this Disclosure Statement.

1.54 "**Employee Benefit Claim**" means any Claim that is not otherwise classified of a present or former employee of Debtor, or their spouse and dependents, for any employment-related benefit, including pension, retirement, severance, vacation, medical, disability or death benefits under any plan, fund, agreement, contract or program established or entered into by Debtor prior to the Petition Date. Employee Benefit Claims do not include (a) any equity rights or interests in, or Claims arising from or related to, any equity rights or interests in any Receivership Entity, or (b) any claims to the extent entitled to priority pursuant to 11 U.S.C. § 507(a)(4) or § 507(a)(5).

1.55 "**Excluded Obligations**" has the meaning assigned to it in the APA.

1.56 "**Excluded Properties**" means and includes properties formerly designated as Holdco Properties that Acquirer has elected or elects not to acquire pursuant to the APA. Excluded Properties will be designated by the CRO as either Trustco Properties or Divestco Properties, in his discretion.

1.57 "**Facility**" means a senior living facility, including all real property, improvements, furniture, fixtures, equipment, and other personal property, both tangible and intangible, used in connection with such senior living facility, but not including any Excluded Personal Property (as defined in the APA) listed on Exhibit D to the APA.

1.58 "**Federal Receivership Case**" means the proceeding related to the SEC Enforcement Action involving the appointment of the Receiver, the fulfillment of the Receiver's duties, and the adoption and implementation of the Distribution Plan.

1.59 "**Filed**" means filed with the Court in the Bankruptcy Case or the SEC Enforcement Action or with the Court or the Receiver in the Federal Receivership Case, as appropriate.

1.60 "**Final Order**" means an order or judgment entered on the docket by the Clerk of the Court or any other court exercising jurisdiction over the subject matter and the parties that has not been reversed, stayed, modified or amended and as to which the time for filing a notice of appeal, or petition for certiorari or request for certiorari, or request for rehearing shall have expired.

1.61 "**Fisher**" means Darryl E. Fisher, a Relief Defendant in the SEC Enforcement Action.

1.62 "**Future Cash**" has the meaning set forth in Section X.A.2 of this Disclosure Statement.

1.63 "**General Unsecured Creditors**" means holders of Unsecured Claims not otherwise classified under the Plan.

1.64 "**Gutzler**" means J. Wallace Gutzler, a Relief Defendant in the SEC Enforcement Action.

1.65 "**Harder**" means Jon M. Harder, a Defendant in the SEC Enforcement Action.

1.66 "**HFG Parties**" means Harder, Fisher and Gutzler, and their wives and children, and entities controlled by any of them.

1.67 "**HFG Settlement**" means the settlement with the HFG Parties, a copy of which is attached to the Distribution Plan as Exhibit 9, as such is modified and amended by agreement as stated on the record on April 2, 2010, a transcript of which is attached to the Reorganization Plan as Exhibit 10, the Reorganization Plan, or the Confirmation Order.

1.68 "**Holdco Entity**" means a Sunwest Entity that holds legal title to a Holdco Property.

1.69 "**Holdco Properties**" means the Facilities and other properties, together with affiliated assets, to be transferred to Acquirer as set forth in the APA. Holdco Properties shall be deemed to exclude Excluded Properties. A list of Holdco Properties is attached to the Reorganization Plan as Exhibit 12.

1.70 "**Ill-Gotten Gains**" means the commissions, fees, distributions, and profits obtained by inappropriate solicitation of or defrauding of investors.

1.71 "**Insider**" has the meaning ascribed to it by Section 101(31) of the Bankruptcy Code.

1.72 "**Interests**" means all rights of the Receiver in and to equity interests in Debtor under the Distribution Plan and Distribution Plan Approval.

1.73 "**Investment Company Securities**" has the meaning set forth in Section XVII.B.3 of this Disclosure Statement.

1.74 "**Investor**" means an individual or entity (excluding the HFG Parties) that invested in a Sunwest Entity, or that invested in Sunwest related interests or assets of Harder. Investors include only persons holding an Allowed Investor Claim as described in Section VI.A.2. of the Distribution Plan.

1.75 "**Lien Claim**" means a Claim secured by a statutory lien or judicial lien on property of Debtor's estate.

1.76 "**Litigation Trust**" has the meaning assigned to it in the Distribution Plan.

1.77 "**LLCs**" means limited liability companies.

1.78 "**LLC Member**" means and includes an Investor who paid money or provided other material tangible value in order to obtain a membership or limited partnership interest in a Sunwest Entity formed as a limited liability company or limited partnership, but excluding Preferred Members and HFG Parties.

1.79 "**Loan Cramdown**" means the nonconsensual modification by Court order issued in connection with the Reorganization Plan of existing real estate loans encumbering certain Holdco Properties or Trustco Properties by changing some or all of the secured principal balance, maturity date, interest rate, amortization schedule, payment schedule, and other covenants pursuant to applicable provisions of the Bankruptcy Code, including, without limitation, §§ 502, 506, 1123, 1125 and 1129.

1.80 "**Management Committee**" means the committee comprised of the CRO, two representatives of the TIC Committee and two representatives of the Unsecured Creditors Committee acting as a fiduciary committee for all Investors and Unsecured Creditors pursuant to the Court Order entered in the SEC Enforcement Action on March 10, 2009.

1.81 "**Member**" means and includes LLC Members and Preferred Members, excluding the HFG Parties.

1.82 "**Member Settlement Agreement**" means a Court approved agreement between Debtor and one or more Members who have exercised the Member Value Election.

1.83 "**Member Value**" means a distribution received by Members under the Member Value Election of Cash in an amount equal to the value attributable to their ownership percentage in a Holdco Entity as of March 2, 2009, plus 55% of any appreciation in value of their respective interest to the Effective Date, all as set forth in Exhibit 7 to the Distribution Plan.

1.84 "**Member Value Election**" means the election provided to Members pursuant to Section VI.B.2.c(iv) of the Distribution Plan.

1.85 "**MIMO.**" MIMO is the acronym for Money-In/Money-Out; and is the prototypical method of calculating Allowed Claims of Investors in securities fraud receivership cases. Cash or any other material tangible value given or transferred to any of the Defendants, the HFG Parties, or the Receivership Entities for purposes of investment in the Sunwest Enterprise in connection therewith ("Money-In") is reduced by all payments of principal, interest, rent, fees, or other payments, distributions or transfers of funds, securities, or other property or any other material tangible value paid, distributed, or transferred out (for any reason) after January 1, 2006 arising from or related to the Investor's investment in the Sunwest Enterprise ("Money-Out"). The difference of the Money-In *less* the Money-Out is the MIMO Allowed Claim. For purposes of illustration, material tangible value given or transferred could include, without limitation, assumed debt, land, services, or deferred compensation. For Unsecured Creditors, including the unsecured deficiency claim of a Secured Creditor, the method of calculation is the same: any payments or transfers of other material tangible value transferred to an Unsecured Creditor after January 1, 2006, is deducted from the principal amount of the loan without regard to the accrual of interest, attorney's fees or other costs associated with default or delay in payment or collection, or from the tangible

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material value (money, goods or services) provided by the Unsecured Creditor to a Receivership Entity or the Sunwest Enterprise.

1.86 "**NH Investor**" means a person or entity not generally in the business of making loans who paid money or provided other material tangible value to the Sunwest Enterprise in exchange for unsecured notes. NH Investors are further classified as:

- Receivership Entity Investor (NH-RE). NH who paid money or provided other material tangible value in exchange for unsecured notes issued by one or more of the Receivership Entities.
- Harder, Fisher, Gutzler Investor (NH-HFG). NH who paid money or provided other material tangible value in exchange for unsecured Sunwest-related notes issued by any of the HFG Parties.

1.87 "**Non-Electing Bare Land TIC**" means a Bare Land TIC that is not an Electing Bare Land TIC.

1.88 "**Other Priority Claim**" means any Claim for an amount entitled to priority in right of payment under Sections 507(a)(3), (4), (5) or (7) of the Bankruptcy Code.

1.89 "**Pari Passu**" means the treatment of Allowed Claims as being equal in priority for receiving Plan Distributions.

1.90 "**Personal Property Existing Loan**" has the meaning set forth in Section XVII.E.2 of this Disclosure Statement.

1.91 "**Personal Property Restated Loan**" has the meaning set forth in Section XVII.E.2 of this Disclosure Statement.

1.92 "**Personal Property Secured Claims**" means Allowed Secured Claims secured solely by Collateral consisting of personal property (or Class 3 Claims).

1.93 "**Petition Date**" has the meaning assigned to it in paragraphs 4 and 5 of the Substantive Consolidation Order.

1.94 "**Plan Distribution**" means anything of value distributed to a Claimant on account of an Allowed Claim pursuant to the Distribution Plan and the Reorganization Plan.

1.95 "**Plan Documents**" means all agreements, documents and exhibits necessary or appropriate to implement the Reorganization Plan and close the transactions contemplated by the Reorganization Plan.

1.96 "**Preferred Interests**" means the Class A preferred units as defined in the Acquirer LLC Agreement.

1.97 "**Preferred Member**" means an Investor who paid money or provided other material tangible value in order to obtain a preferred membership interest in a Sunwest Entity.

1.98 "**Preferred Rollover Election**" means the rights of Investors to elect to contribute their interests in property or Claims in exchange for the issuance of preferred interests in Rollover Member LLC, which will, in turn, contribute such property interests to Acquirer as provided in the Reorganization Plan and the APA.

1.99 "**Priority Tax Claim**" means a Claim of a governmental unit the kind entitled to priority under Section 507(a)(8) of the Bankruptcy Code or that would otherwise be entitled to such priority but for the secured status of the Claim; provided that any Claim of a governmental unit secured by a Divestco Property shall not be treated as a Priority Tax Claim.

1.100 "**Pro Rata**" means, with respect to any Class of claims, the same proportion that the Allowed amount of such Claim bears to the sum of (a) the Allowed Amounts of all claims in the same Class and (b) the face amounts of all disputed or unliquidated claims in the same class, as reduced from time to time as and to the extent such claims are Allowed.

1.101 "**Procedures Motion**" means Debtor's Motion for Approval of Auction Process, Bidding Procedures, Overbid Protection, Break-up Fee and Expense

Reimbursement, and Approving Form and Manner of Notice and Scheduling a Hearing for Final Approval of the Sale filed on January 19, 2010 in the Bankruptcy Case.

1.102 "**Proof of Claim**" means the form approved by the Court in the Federal Receivership Case required to be filed by any person or entity asserting a Claim as a condition to the right to receive a Plan Distribution.

1.103 "**Proponents**" means Receiver, CRO and Debtor.

1.104 "**Qualified Operator**" means either (i) a management company that is an affiliate or emeritus corporation; or (ii) one or more reputable national or regional operators of senior living facilities which has operated for at least five years, as approved by the Court.

1.105 "**Real Property Existing Loan**" has the meaning set forth in Section XVII.F.2 of this Disclosure Statement.

1.106 "**Real Property Restated Loan**" has the meaning set forth in Section XVII.F.2 of this Disclosure Statement.

1.107 "**Real Property Secured Claims**" means Allowed Secured Claims secured by Collateral consisting, in part or in whole, of real property (or Class 4 Claims).

1.108 "**Receiver**" means Michael Grassmueck, or any Court-appointed successor, in his capacity as Receiver for the Receivership Entities pursuant to the Receivership Order.

1.109 "**Receivership Entities**" means the entities over which the Receiver has been appointed to act as a federal equity receiver and the CRO has been appointed to act as chief restructuring officer.

1.110 "**Receivership Estate**" means the aggregate of all assets, rights and powers created by the Receivership Order.

1.111 "**Receivership Order**" means the order entered by the Court on March 10, 2009, in the SEC Enforcement Action, together with the Unopposed Order

Granting Additional Preliminary Injunction and Appointing Receiver for Additional

Entities entered by the Court on May 27, 2009, and the Further Order Granting Additional Preliminary Injunction and Appointing Receiver for Further Entities entered by the Court on August 28, 2009.

1.112 "**Redemption Price**" means \$100.00 per Preferred Interest, subject to adjustments for any priority tax distributions and/or any accrued and unpaid distributions.

1.113 "**Relief Defendants**" means the entities and individuals identified as Relief Defendants in the SEC Enforcement Action.

1.114 "**Rents and Profits Receiver**" means a receiver appointed by a court at the request of a Secured Creditor to take control of real property collateral pending a foreclosure of the collateral.

1.115 "**Reorganization Plan**" means the Plan of Reorganization, as amended, modified, restated or supplemented from time to time.

1.116 "**Reorganized Company**" means Debtor following the Effective Date.

1.117 "**Resident Contracts**" means contracts between Debtor and residents of Debtor's Facilities that are Holdco Properties.

1.118 "**Restructure**" means the change in the legal organization and relationships of the Receivership Entities and/or the ownership of same pursuant to the terms of the Distribution Plan and the Reorganization Plan.

1.119 "**Rollover Common Interests**" means the common interests of Rollover Member LLC.

1.120 "**Rollover Equity Election**" means and includes the Common Rollover Election and the Preferred Rollover Election.

1.121 "**Rollover Equity Interests**" means any common interests or preferred interests in Rollover Member LLC issued or to be issued to Rollover Investor pursuant to the APA or the Reorganization Plan.

1.122 "**Rollover Investor**" means and includes each Investor participating in the Rollover Equity Election who has not filed an appeal to the Confirmation Order, Substantive Consolidation Order, Sale Order or TIC Transfer Order.

1.123 "**Rollover Member LLC**" means Sunwest Rollover Member LLC, a Delaware limited liability company. The initial member of Rollover Member LLC is Debtor. Debtor has invested, or on the Effective Date will invest, \$100,000 in Rollover Member LLC.

1.124 "**Rollover Preferred Interests**" means the preferred interests of Rollover Member LLC.

1.125 "**Rollover Member LLC Agreement**" means the limited liability company agreement to be executed by and among all Rollover Investors. The Rollover Member LLC Agreement shall be substantially identical in form and content to the LLC Agreement attached to the Reorganization Plan as Exhibit 7.

1.126 "**Sale Order**" means the order entered in the Bankruptcy Case on May 17, 2010.

1.127 "**Schedules**" means the Schedules of Assets and Liabilities and the Statement of Financial Affairs Filed by Debtor pursuant to Section 521 of the Bankruptcy Code, as amended, modified, restated or supplemented from time to time.

1.128 "**SEC**" means the United States Securities and Exchange Commission.

1.129 "**SEC Enforcement Action**" means the civil lawsuit commenced by the Securities and Exchange Commission and pending as *Securities and Exchange Commission v. Sunwest Management, Inc., et al.*, United States District Court for the District of Oregon Case No. 6:09-cv-6056-HO.

1.130 "**Secured Claim**" means any Claim against Debtor held by any entity, including, without limitation, an affiliate or judgment creditor of Debtor, to the

extent such Claim constitutes a secured Claim under Sections 506(a) or 1111(b) of the Bankruptcy Code.

1.131 "**Secured Creditor**" means the holder of an Allowed Secured Claim.

1.132 "**Securities Act**" means the United States Securities Act of 1933, as amended.

1.133 "**Settlement Member Value**" has the meaning set forth in Section X.A.4 of this Disclosure Statement.

1.134 "**Settlement Rollover Opportunity**" means the settlement opportunity being offered to Members on an entity-by-entity basis with respect to each Holdco Entity.

1.135 "**SMI**" means Sunwest Management, Inc.

1.136 "**Substantive Consolidation Order**" means the Order entered in this case on December 22, 2009 granting the Joint Motion of Debtor, the Unsecured Creditors' Committee and the Tenants-in-Common Committee for Substantive Consolidation of Assets and Liabilities of Sunwest Related Entities. The Substantive Consolidation Order consolidated all the assets and liabilities of the Sunwest related entities identified on Exhibit 1 thereto into Debtor's bankruptcy estate.

1.137 "**Summary Procedures**" means the Court-approved process for adjudicating disputes in the Federal Receivership Case that comply with due process requirements but assist the Receiver to resolve disputes quickly, efficiently and economically to preserve Receivership Estate assets to increase the Plan Distributions on Allowed Claims.

1.138 "**Sunwest Enterprise**" has the meaning set forth in Section **Error! Reference source not found.** of this Disclosure Statement.

1.139 "**Sunwest Entity**" means and includes the entities identified on Exhibit 1 to the Substantive Consolidation Order. A copy of the list of Sunwest Entities is attached to the Reorganization Plan as Exhibit 14.

1.140 "**SWP Holdings, LP**" means the master limited partnership created to directly or indirectly hold certain properties.

1.141 "**Third Party Claims**" means the legal and equitable rights held by the Receiver to recover money from third parties, including law firms, accountants, lenders, certain brokers as may be authorized by the Court, insiders, and others. In addition, Third Party Claims includes the rights of the Receiver to recover money from third parties on behalf of Investors if granted by the Court, and the rights of the Receiver obtained by the assignment from holders of Allowed Claims under the Distribution Plan of their rights to pursue any third party that the Receiver has a right to pursue independent of the assignment.

1.142 "**TIC**" means a tenant in common (excluding Debtor and the HFG Parties) or the holder (excluding the HFG Parties) of an interest as a tenant in common, a form of real property ownership comprising a fractional undivided interest in real property.

1.143 "**TIC Agreement**" means a tenant in common agreement.

1.144 "**TIC Committee**" means the Tenant in Common Committee appointed in the Bankruptcy Case.

1.145 "**TIC Interest**" means the undivided interest of a TIC in real property.

1.146 "**TIC Settlement Agreement**" means a Court approved agreement between Debtor and a TIC in settlement of the claims asserted against such TIC in a TIC Transfer Proceeding.

1.147 "**TIC Transfer Order**" means an order or judgment entered in a TIC Transfer Proceeding authorizing Debtor to sell, exchange or transfer TIC Interests to Acquirer or Trustco.

1.148 "**TIC Transfer Proceedings**" means the adversary proceedings initiated by Debtor to compel the sale, exchange or transfer of TIC Interests from TICs to Acquirer or Trustco pursuant to 11 U.S.C. § 363(h).

1.149 "**Total Equity Capitalization of Acquirer**" has the meaning assigned to it in the APA.

1.150 "**Trustco**" means Sunwest Trustco, LLC, an Oregon limited liability company. Receiver is the sole member and manager of Sunwest Trustco, LLC.

1.151 "**Trustco Properties**" means the real and personal properties and affiliated assets listed on Exhibit 13 of the Reorganization Plan, as such may be modified by the CRO by the addition of Excluded Properties.

1.152 "**Trustco Subsidiary**" means a Sunwest Entity that holds legal title to a Trustco Property.

1.153 "**Trustco Subsidiary Member Election**" has the meaning assigned to it in Section 4.8.2 of the Reorganization Plan.

1.154 "**Unsecured Claim**" means an unsecured Claim that is not an Administrative Expense Claim, a Secured Claim, a Priority Tax Claim or an Other Priority Claim.

1.155 "**Unsecured Creditor**" means a Claimant that is not a Secured Creditor or an Investor and includes holders of Administrative Claims as that term is used in Section VI.A.1. of the Distribution Plan.

1.156 "**Unsecured Creditors Committee**" means the committee appointed in the Bankruptcy Case to represent the interests of Unsecured Creditors.