

PRESS RELEASE –RESIGNATIONS AT SUNWEST
January 19, 2009

Sunwest Management, Inc., today announced the resignation of two of its top officers. Jon Harder has stepped aside as the President and CEO, while Curtis Brody has left the position of Chief Financial Officer. The changes, effective immediately, come during a critical period for the company.

“We’ve made a good start on our journey to reorganize Sunwest in a disciplined and orderly manner,” said Clyde Hamstreet, Sunwest’s Chief Restructuring Officer. “We successfully closed a large sale of assets last week, which gives the restructuring effort some funds to work with. Now we face some important court decisions and an extensive process of negotiation with lenders, creditors, and investors. Mr. Harder and Mr. Brody felt those efforts would be best served by taking steps to clarify the management change that occurred with my appointment as CRO. It is their commitment to advancing the reorganization process that has led to these difficult decisions on their part.”

Shirley Dunn, a principal of Hamstreet & Associates, will step in as interim CFO. With the CRO in place, the CEO position will not be filled at this time. Both Harder and Brody will remain available to the company to provide information and assistance. “Jon and Curtis have made it clear that they want the restructuring effort to work,” Hamstreet said. “They have offered to provide information and to do whatever they can to help our efforts. I fully intend to draw on the knowledge and abilities of both as we move forward.”

“Getting Sunwest to the point where it can meet all of its financial obligations—to lenders, to vendors, to TICS, and to investors—is incredibly important to me,” Harder said. “I trust Clyde Hamstreet to lead that effort and I know he is determined to succeed. I will do whatever I can to help out.”

Harder co-founded Sunwest in 1991. Along with Mr. Brody and others, he oversaw Sunwest’s growth into one of the nation’s largest senior housing providers. Since the onset of the real estate and credit crises, however, Sunwest has struggled financially, defaulting on loans, losing properties to receiverships and foreclosures, and straining relationships with creditors and investors.

Along with his resignation as CEO, Mr. Harder is also leaving related positions as President of Senenet, Sunwest’s employee leasing company, and as Vice President of Canyon Creek Development, the company that acquired and developed both land and facilities as Sunwest grew. On December 31, Mr. Harder filed a voluntary personal petition under Chapter 11 of the Bankruptcy Code.

“Our first priority remains quality resident care,” Hamstreet said. “We are working diligently to address the very real financial woes of the company. I am heartened by the strides we have made to date and hope to continue our good progress in the future.”