

PRESS RELEASE

SALEM, OREGON

Friday, November 21, 2008; updated December 30, 2008

Sunwest Management , Inc., has engaged Clyde Hamstreet to serve as Chief Restructuring Officer, a new position. Mr. Hamstreet will lead the restructuring effort for the senior housing company in an effort to preserve value, improve earnings, and help Sunwest meet its financial obligations. The decision to retain Hamstreet & Associates and appoint Mr. Hamstreet to the position of CRO was pro-actively made as part of a restructuring plan that executive management within Sunwest have begun to implement in an effort to stabilize the company.

Mr. Hamstreet will report to a newly-constituted independent board that has no previous material ties to Sunwest. Board members are expected to be in place by January 15, 2009. Under the restructuring agreement, the new officer possesses broad powers including the ability to obtain financing, sell or otherwise dispose of company assets and oversee and direct Sunwest's day-to-day operational and financial management. His appointment represents a full turnover of authority from current management. In addition, Sunwest's top three principals assigned all of their rights to distribution of proceeds from their equity interests to the CRO for use in the global restructuring effort. Current executive management remain in place to work with Mr. Hamstreet in the reorganization of the company.

Mr. Hamstreet , principal of Hamstreet & Associates, a turnaround consulting firm, previously served as Chief Restructuring Officer of Southern States Cooperative, a \$1.5 billion agricultural cooperative whose successful turnaround led to national recognition. Currently, his firm represents several regional homebuilders and a large commercial farm involved in financial and operational restructurings. He and his colleagues have successfully served numerous other clients nationwide in a variety of roles and industries over the past 25 years, and have won a reputation for saving jobs and vital services.

Chief restructuring officers are frequently appointed to provide independent management and turnaround services to companies facing financial crisis. Recent examples include American International Group, Pilgrim's Pride Corporation, and Atlas Mining Company, all of which have appointed CROs in the past few weeks.

Sunwest Management, founded in 1991, is one of the largest private senior living providers in the country and a significant Oregon employer. Headquartered in Salem, the company serves over 17,000 residents in more than 250 communities in 37 states. Sunwest has 11,300 employees, 2,550 of whom work in 50 Oregon facilities. Company-wide revenues in 2007 exceeded \$540 million.

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