



## MEMORANDUM

To: Tenant in Common (TIC) Investors in the following properties:

Cache Valley  
Grayson View (Harrisburg)  
Kensington Green  
Legacy of Dallas  
Northwesterly

From: Clyde Hamstreet, Sunwest CRO

Re: Extension of response deadline in TIC adversary proceedings to December 8, 2009

Date: November 20, 2009

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The five properties above are all subject to purchase and sale agreements with third-party buyers.<sup>1</sup> So that clean title can be transferred to the buyer at the time of closing, adversary proceedings have been filed against all TICs in these properties to compel the sale or transfer of the TIC interests in the real property. If the Court compels the sale or transfer of the TIC interests and approves the sale of the property, we expect closings to occur on these facilities within 30 days of the Court's decision.

If you hold a TIC interest in one of the properties listed above, you have received a summons and complaint filed against you in the Sunwest Unitary Enterprise chapter 11 case known as Stayton SW Assisted Living. **The adversary proceedings are set for trial on December 15<sup>th</sup>.** The current deadline for your response is December 3, 2009.

We understand that in order to file an informed response, you need to have more information about your elections and options under the Distribution Plan approved by the Court in the Sunwest SEC Receivership case. Several of you have informed me or others involved in this case that you have assumed debt and would like to transfer your TIC interest into the master limited partnership known as SWP Holdings, LLC (SWP).

Our tax attorneys are preparing offering and disclosure materials to enable you to carry out that desire prior to any closing if you so wish. Before you make your decision to transfer an interest into

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<sup>1</sup> We learned on November 19 that the buyer of Grayson View Harrisburg has terminated the purchase contract. Until we have had more opportunity to analyze other options arising from this event, however, TIC investors in Grayson View should treat the content of this memorandum as still applying to them. If the adversary proceeding against Grayson View TICs is changed or dismissed, we will let those TICs know in a separate communication.

SWP, however, we urge you to review carefully the offering memorandum and disclosure materials that will be sent to you as soon as they are ready. You will see that there may be other options for you to consider, depending on the outcome of this case. These contingencies will be fully explained in the materials you will receive.

Before we can send the offering materials to you, we must receive approval from the State of Oregon Division of Finance and Corporate Securities. We hope to get this approval before Thanksgiving, but unfortunately we cannot guarantee when the information will get to you.

To give you more time to receive and review the disclosure materials and make your decision, **we have filed a motion (attached) to extend the response deadline in the adversary proceedings on the properties listed above to December 8, 2009.**<sup>2</sup> (Please note: We are sending memos similar to this one to investors in other properties, which may have different response deadlines due to different property circumstances. If you receive more than one memo, please pay close attention to the properties listed at the top so that you can track the deadlines appropriately.)

We cannot say when the Court will rule on our motion to further extend the response deadline. However, **the CRO commits that even if the Court does not officially extend the response deadline, we will take no action on the summons and complaint until December 8, 2009, and will treat any formal response submitted by December 8, 2009 as filed on time.**

We realize that some of you may be traveling during the holidays and have difficulty getting the materials we send or filing a response by the deadline. If this is your situation, please contact Pam Mattson at Sunwest Management. She will note down your contact and travel information, and we will do our best to accommodate you in meeting or getting exceptions to the deadlines. However, in light of the trial date we cannot guarantee that responses received after December 8<sup>th</sup> will be honored. Pam's contact information is: [pam.mattson@sunwestmanagement.com](mailto:pam.mattson@sunwestmanagement.com), telephone 503-485-4628.

If you have other questions about the content of this memo or the adversary proceeding response deadline for your property, you may also email Maren Cohn at [mcohn@hamstreet.net](mailto:mcohn@hamstreet.net).

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<sup>2</sup> Exhibit 1 to the attached motion lists six properties, whereas this memo is directed only to TICs in five properties. The TICs in Rose Valley Cottages will receive a separate memorandum due to different circumstances surrounding the sale of that property.

**Albert N. Kennedy**, OSB No. 821429 (Lead Attorney)

Direct Dial: (503) 802-2013

Facsimile: (503) 972-3713

E-Mail: al.kennedy@tonkon.com

**Timothy J. Conway**, OSB No. 851752

Direct Dial: (503) 802-2027

Facsimile: (503) 972-3727

E-Mail: tim.conway@tonkon.com

**TONKON TORP LLP**

1600 Pioneer Tower

888 S.W. Fifth Avenue

Portland, OR 97204

Attorneys for Debtor

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF OREGON

In re

**USDC Case No. 09-cv-6082-HO**

**STAYTON SW ASSISTED LIVING,  
L.L.C.**, (Constituting the Sunwest Unitary  
Enterprise as determined by the Order entered  
on October 2, 2009 in U.S. District Court Case  
No. 09-cv-6056-HO),

Debtor.

Bankruptcy Court  
Case No. 08-36637-tmb11  
(Reference Withdrawn)

**MOTION OF DEBTOR TO EXTEND  
TIME TO RESPOND TO CERTAIN  
11 USC § 363(h) ADVERSARY  
PROCEEDINGS**

Stayton SW Assisted Living, L.L.C., Debtor, has filed adversary proceedings pursuant to 11 USC § 363(h) to compel the sale or transfer of tenant in common interests in real property. Debtor moves the Court for an Order extending to December 8, 2009 the time for defendants in the following cases to file a motion or answer to the complaint. These six cases are set for trial on December 15, 2009.

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Cache Valley  
6:09-cv-06705-HO

Kensington Green  
6:09-cv-06707-HO

Northwesterly  
6:09-cv-06709-HO

Grayson View - Harrisburg  
6:09-cv-06706-HO

Legacy of Dallas  
6:09-cv-06708-HO

Rose Valley Cottages II  
6:09-cv-06673-HO

DATED: November 19, 2009.

TONKON TORP LLP

By /s/ Jeanne M. Chamberlain

Albert N. Kennedy, OSB No. 821429

Direct Dial: (503) 802-2013

Timothy J. Conway, OSB No. 851752

Direct Dial: (503) 802-2027

Jeanne M. Chamberlain, OSB No. 851698

Direct Dial: (503) 802-2031

Attorneys for Debtor

CERTIFICATE OF SERVICE

I hereby certify that the foregoing **MOTION OF DEBTOR TO EXTEND TIME TO RESPOND TO CERTAIN 11 USC § 363(h) ADVERSARY PROCEEDINGS** was served on all ECF participants through the Court's Case Management/Electronic Case File system on the date set forth below.

In addition, I served the foregoing on the following parties:

Tennessee Dept of Revenue  
Bankruptcy Division  
POB 20207  
Nashville, TN 37202

by mailing a copy thereof in a sealed, first-class postage prepaid envelope, addressed to each party's last-known address and depositing in the U.S. mail at Portland, Oregon on the date set forth below.

DATED: November 19, 2009.

TONKON TORP LLP

By /s/ Jeanne M. Chamberlain

Albert N. Kennedy, OSB No. 821429

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Timothy J. Conway, OSB No. 851752

Direct Dial: (503) 802-2027

Jeanne M. Chamberlain, OSB No. 851698

Direct Dial: (503) 802-2031

Attorneys for Debtor

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