

EXHIBIT 1

**RECEIVER'S, CRO'S AND
DEBTOR'S PLAN OF REORGANIZATION (NOVEMBER 30, 2009)**

GLOSSARY

PROPOSED

PROPOSED DISCLOSURE STATEMENT -
SUBJECT TO COURT APPROVAL - MAY
NOT BE RELIED UPON AT THIS TIME

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

1.2 "**Allowed Claim**" means a Claim presented by a timely filed Proof of Claim and that is not objected to, or if objected to, is allowed by agreement with the Receiver or allowed by a Final Order of the Court. An Allowed Claim is a necessary condition to the receipt of a Plan Distribution.

1.3 "**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 the 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 the Debtor's interest in such property or to the extent of the amount subject to setoff, as the case may be.

1.4 "**Allowed Unsecured Claim**" means an Allowed Claim that is not an Allowed Secured Claim.

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

1.6 **"Auction"** means a sale to a Buyer at an auction to be held pursuant to the Auction Order.

1.7 **"Auction Order"** means the Order (1) Establishing Bidding Procedures, (2) Authorizing and Scheduling an Auction, (3) Approving a Break-Up Fee and Expense Reimbursement, (4) Approving Cure Cost Procedures Relating to the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases, (5) Approving Form and Manner of Notices, and (6) Scheduling a Hearing for Final Approval of the Sale.

1.8 **"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.

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

1.10 **"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.

1.11 **"Bankruptcy Fee Claim"** has the meaning set forth in Section VIII.A.3 of this Disclosure Statement.

1.12 **"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.

1.13 "**Bare Land Investors**" means the investors in Bare Land Properties.

1.14 "**Bare Land Properties**" means the bare land assets with no substantial improvements in varying states of entitlement and development as listed on either Exhibit 4 or Exhibit 6 to the Distribution Plan.

1.15 "**Blackstone Venture**" means Blackstone Real Estate Advisors VI, L.P., in partnership with affiliates of Emeritus, a manager of senior living facilities, and Columbia Pacific Management Inc.

1.16 "**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.

1.17 "**Buyer**" means a third party entity that purchases the Holdco Properties at the Auction.

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

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

1.20 "**Claimant**" means the holder of a Claim or Interest.

1.21 "**Claims Bar Date**" means the deadline for a Proof of Claim to be timely filed, which deadline will be set by order of the Court.

1.22 "**Class**" means one of the classes of Claims defined in Article VIII. hereof.

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

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

1.25 "**Columbia Pacific**" means Columbia Pacific SW/CS, LLC.

1.26 "**Confirmation Order**" means the order of the Bankruptcy Court confirming the Reorganization Plan in accordance with the provisions of Chapter 11 of the Bankruptcy Code.

1.27 "**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.

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

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

1.30 "**Debtor**" means the unitary enterprise comprised of the consolidated assets and liabilities of the Receivership Entities as provided in the Distribution Plan and recognized and ordered by the Court in the Distribution Plan Approval entered in the Federal Receivership Case. The term "Debtor" herein shall have the same meaning as the term "Debtor" in the Reorganization Plan.

1.31 "**Defendants**" means Sunwest Management, Inc. 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.

1.32 "**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.

1.33 "**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 and Distribution Plan Approval is attached hereto and incorporated herein as Exhibit 3.

1.34 **"Distribution Plan Approval"** means the Final Order entered by the Court approving the terms of the Distribution Plan.

1.35 **"Divestco Properties"** means the real property, including associated improvements, furniture, fixtures, equipment and other personal property, listed on Exhibit 4 to the Reorganization Plan.

1.36 **"DownREIT"** means a limited liability company or limited partnership formed for the purpose of owning one or more Facilities that are Holdco Properties. SWP Holdings, LP will be the managing member or the general partner of each DownREIT.

1.37 **"Effective Date"** means the later of (a) January 1, 2010, or (b) the date on which all conditions to effectiveness specified in Section 10.4 of the Reorganization Plan have been satisfied or waived.

1.38 **"Electing Owners"** has the meaning set forth in Section IX.A.6(c)(iv) of this Disclosure Statement.

1.39 **"Emeritus"** means Emeritus Corporation, an operator of senior living facilities.

1.40 **"Employee Benefit Claim"** means any Claim that is not otherwise classified of a present or former employee of the Debtor or their spouses 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 the Debtor prior to the Petition Date. Employee Benefit Claims do not include any equity rights or interests in, or Claims arising from or related to any equity rights or interests in, any Receivership Entity.

1.41 **"Excluded Properties"** means and includes Holdco Properties that Buyer or REITCO has elected not to acquire. Excluded Properties are deemed to be Trustco Properties.

1.42 "**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.

1.43 "**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.

1.44 "**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.

1.45 "**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.

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

1.47 "**Harder**" means Jon M. Harder, a defendant in the SEC Enforcement Action.

1.48 "**HFG Parties**" means Jon Harder, Darryl Fisher, and Wallace Gutzler.

1.49 "**HFG Settlement**" means the proposed settlement with the HFG Parties, a copy of which is attached to the Distribution Plan as Exhibit 9, as such may be modified or amended by agreement through mediation or by Order of the Court.

1.50 "**Holdco Properties**" means the Facilities and other properties, together with affiliated assets, to be transferred to Reorganized Company or Buyer as listed on Exhibit _____ to the Reorganization Plan. Holdco Properties shall be deemed to exclude Excluded Properties.

1.51 "**Insider**" shall have the meaning ascribed to it by Section 101(31) of the Bankruptcy Code.

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

1.53 "**Investors**" means individuals and entities that invested in the Receivership Entities, or any of them, or invested in interests or assets of Harder.

1.54 "**Lease**" means the Master Lease in the form attached as Exhibit 7 to the Reorganization Plan to be entered into by and between TRS or SWP Holdings, LP and certain of the DownREITs for certain facilities.

1.55 "**Litigation Trust**" refers to the trust created following the approval of the Distribution Plan, with the Receiver to serve as the sole trustee in his capacity as a federal equity receiver, for the purpose of prosecuting and settling, subject to Court approval, Third Party Claims. The Receiver, as trustee, shall engage counsel and other professionals as appropriate, in his discretion and subject to Court approval, to assist him in administration of the Litigation Trust and liquidating Third Party Claims.

1.56 "**LLCs**" has the meaning set forth in Section I.A of this Disclosure Statement.

1.57 "**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.

1.58 "**Manageco**" means the corporation formed, in the event REIT treatment is elected, for the purpose of providing management services to the Holdco Properties and other senior living facilities.

1.59 "**Management Contract**" means the management contracts listed on Exhibit 5 to the Reorganization Plan, originally between Sunwest Management, Inc. and an entity that is not a Receivership Entity.

1.60 "**Member**" means a member (excluding the HFG Parties), including a preferred member, of a Receivership Entity, and includes limited partners in a Receivership Entity formed as a limited partnership.

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

1.62 "**MLP**" means the master limited partnership referred to herein as SWP Holdings, LP in which REITCO will be the general partner and which will hold title (directly or indirectly, and through DownREITs) to Holdco Properties.

1.63 "**Non-Electing Owners**" has the meaning set forth in Section IX.A.6(c)(iv) of this Disclosure Statement.

1.64 "**Operating Agreement**" means an operating agreement in the form attached as Exhibit 8 to the Reorganization Plan to be executed by each member and/or manager of a DownREIT.

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

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

1.67 "**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.

1.68 "**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.

1.69 "**Priority Tax Claim**" has the meaning set forth in Section VIII.A.2 of this Disclosure Statement.

1.70 "**Proponents**" means Receiver, CRO and the Debtor.

1.71 "**Proposed Agreement**" has the meaning set forth in Section VI.

1.72 "**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.

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

1.74 "**Receivership Entities**" has the meaning given to such term in Section I.A.

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

1.76 "**Receivership Order**" means the Final 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.

1.77 "**REIT**" means a qualified real estate investment trust as defined in 26 U.S.C. § 856.

1.78 "**REITCO**" means the corporation created or to be created to serve as the general partner of SWP Holdings, LP and to hold and operate Holdco Properties. REITCO may elect treatment as a REIT.

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

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

1.81 "**Reorganization Plan**" means the Plan of Reorganization attached as Exhibit 2 to this Disclosure Statement, as amended, modified, restated or supplemented from time to time.

1.82 "**Reorganized Company**" shall mean and include, as appropriate, REITCO, SWP Holdings, LP, TRS, each DownREIT, other appropriate special purpose entities, and subsidiaries of the foregoing entities.

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

1.84 "**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.

1.85 "**Retaining Owners**" has the meaning set forth in Section IX.A.6(c)(iv) of this Disclosure Statement.

1.86 "**Sale Plan**" has the meaning set forth in Section I.B.3(b) of this Disclosure Statement.

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

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

1.89 "**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.

1.90 "**Secured Claim**" means any Claim against the Debtor held by any entity, including, without limitation, an affiliate or judgment creditor of the Debtor, to the extent such Claim constitutes a secured Claim under Sections 506(a) or 1111(b) of the Bankruptcy Code.

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

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

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

1.94 "**Stand-Alone Plan**" has the meaning set forth in Section I.B.3(a) of this Disclosure Statement.

1.95 "**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.

1.96 "**Sunwest Enterprise**" has the meaning set forth in Section I.A. of this Disclosure Statement.

1.97 "**SWP Holdings, LP**" means the MLP created to directly or indirectly hold the title to Holdco Properties. REITCO will be the general partner of SWP Holdings, LP. The Amended and Restated Limited Partnership Agreement of SWP Holdings, LP is attached as Exhibit 4 to the Reorganization Plan.

1.98 "**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.

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

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

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

1.102 "**TIC Agreement**" means a tenant in common agreement

1.103 "**TIC Transfer Proceeding**" means the adversary proceedings initiated by the Debtor to compel the exchange or transfer of TIC Interests from TICs to Buyer, REITCO or MLP, pursuant to 11 USC § 363(h).

1.104 "**TRS**" means the taxable REIT subsidiary formed or to be formed as a wholly owned subsidiary of SWP Holdings, LP, in the event REIT treatment is elected, for the purpose of leasing, certain Holdco Properties from the MLP, the DownREITs and certain TICs that own each Holdco Property.

1.105 "**Trustco**" means the liquidation trust, or other entity or entities, including Reorganized Company, in the event Proponents determine that REIT treatment will not be elected, to be formed to hold, manage and sell Trustco Properties, including Reorganized Company, in the event Proponents determine that REIT treatment will not be elected.

1.106 "**Trustco Properties**" means the real properties and affiliated assets identified in the Reorganization Plan, together with all Excluded Properties.

1.107 "**UCC**" means the Official Unsecured Creditors' Committee appointed in this Bankruptcy Case.

1.108 "**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.

1.109 "**Unsecured Creditor**" means a holder of an Allowed Unsecured Claim.