



Chambers of
HONORABLE MICHAEL R. HOGAN
United States District Judge

United States District Court
DISTRICT OF OREGON
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December 15, 2011

Ford Elsaesser, Esq.

Elsaesser Jarzabek Anderson Elliott & Macdonald, Chtd.
102 South Euclid Avenue, Suite 307
Sandpoint, Idaho 83864

RE: Sunwest Distribution

Dear Mr. Elsaesser:

I am writing to you with the understanding that you will provide this information to those who are in contact with the tenants-in-common and other investors.

As you know, the second distribution will be substantially greater than originally anticipated. It is likely to be in the neighborhood of 20¢ on the dollar, based on the original MIMO claims. However, due to additional, necessary due diligence, the distributions will more likely occur in mid-to late February, than before the end of this year, as many of us had hoped.

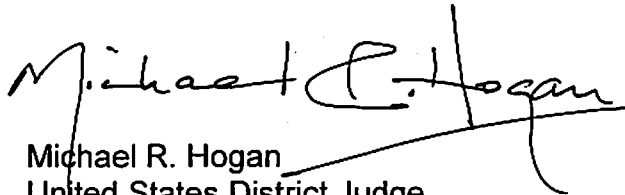
The court wants to be extremely cautious as to the accuracy of the distributions, as well as to attempt to resolve the last few remaining objections and unresolved matters that might generally otherwise result in holdbacks. The audit function necessary to make sure that the second distribution will be absolutely correct unfortunately takes more time than a year-end distribution would allow.

As you are also aware, the recoveries from the remaining real estate, not sold to Blackstone, as well as the return on the insurance company, have been greater than

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expected, increasing the anticipated dividend. The court appreciates everyone's patience in this regard and understanding of the fact that we all need to be assured that the second distribution, which will be the last large distribution in the case, is accurate across the board.

Very truly yours,



Michael R. Hogan
United States District Judge

MRH:mpp