



October 26, 2015

**Tecate Information Packet**

- ABL Partners (1992) – 50%
- Mex-Tec Partners (1993) – 50%
- Borderland Partners (1993) – 50%
- Prosperity Partners (1994) – 50%
- Freetrade Partners (1991) – 33.3%
- Suntec Partners (1991) – 33.3%
- Via 188 Partners (1990) – 33.3%
- International Partners (1990) – 100% (no co-tenancy)
- Tecate South Partners (1989) – 100% (no co-tenancy)
- Twin Plant Partners (1989) – 100% (no co-tenancy)
- Vista Tecate Partners (1990) – 100% (no co-tenancy)

Dear Investor:

This information packet is being provided to you pursuant to an order of the District Court in the pending case between the Securities and Exchange Commission ("SEC"), Louis Schooler, and First Financial Planning Corporation d/b/a Western Financial Planning Corporation ("Western"). The relevant order, which is dated March 4, 2015, and is entitled Order Keeping General Partnerships Under Receivership ("Order"), is available at the Receiver's website, [www.ethreadvisors.com](http://www.ethreadvisors.com) (use the SEC Case Docs tab). You are encouraged to review the order carefully.

This packet is intended to provide you with information about the District Court case, the Receiver's findings, and the financial condition of your General Partnership ("GP"). Specifically, the Order instructs the Receiver to provide you with the following information:

## **I. SEC ALLEGATIONS**

The following is a summary of the allegations made by the SEC in the case:

On September 4, 2012, the SEC filed a complaint against Louis Schooler and Western, alleging they committed fraud and failed to register securities in violation of the federal securities laws.

### **A. Fraud Allegations**

The SEC alleges Mr. Schooler orchestrated an offering fraud that involved buying raw, undeveloped land and using his company, Western, to sell the land to investors for far more than it was worth, without properly disclosing its true value. The SEC alleges Mr. Schooler marked up the land and sold it to investors at a price that was several times higher than what he paid for it (in some cases, 500% higher or more) without disclosing to investors the price he paid.

The SEC also alleges Mr. Schooler led investors to believe they received a good price for the land Western offered. His sales force allegedly used real estate "comps" that appeared to show that similar land was worth even more than what investors were paying for Western's land. However, the SEC alleges the "comps" were not truly comparable because they often included entitlements, zoning, water rights, and other features that Western's land did not have.

In addition to misrepresenting the value of the land to investors, the SEC alleges Mr. Schooler concealed the fact the land Western offered to investors was often subject to mortgages Western had taken out to pay for the land. The SEC also alleges Mr. Schooler did not disclose the land was not owned outright nor the risk that the seller could foreclose upon the property if Western ceased making mortgage payments.

### **B. Registration Violations**

The SEC alleges Western sold its land to investors through GPs that it structured, organized, and managed from inception through the time of an eventual land sale. Investors, many of whom were allegedly unsophisticated in business affairs, purchased units in a GP, and the GP purchased land from Western. The SEC alleges the GP units are securities because investors were completely dependent on Schooler and Western to manage their investment. Because Schooler and Western failed to register their securities offerings with the SEC, the SEC alleges they violated the securities registration provisions. On April 25, 2014, the District Court decided that the GP units sold to investors are securities.

## **II. RECEIVER'S FINDINGS**

### **A. Original Purchase Prices of GP Properties, Funds Raised By Western, and Appraised Values of GP Properties**

The Tecate properties consist of twelve (12) different parcels of land, belonging to seven (7) different co-tenant groups or GPs, as outlined above. The properties have historically been

grouped together due to their geographic proximity to one another. The purchase price paid by Western for this property is only available for a few of the land parcels, due to the age of the property purchase (1989 or before). From 1989 - 1994, Western formed seven (7) underlying partnerships, each with varying interests in the underlying parcels of property. These are outlined at the beginning of this document. Western raised \$11,788,900 when it sold the land to investors. The Western mark-up amount is not known for this property. However, for the 13 properties Western purchased after 2003, the average mark-up over Western's initial purchase price was 412%. Using this average, it is estimated that Western paid approximately \$2,861,383 for the property, or \$8,927,517 less than the partnerships paid for the land.

The Tecate GPs (with the exception of the ABL and Mex-Tec GP) did not have sufficient funds to cover the cost of an appraisal. In these situations, the Court directed the Receiver to obtain broker opinions of value or listing agreements to provide an estimate of value. The Receiver contacted local brokers and obtained broker opinion of values from them in August 2015. The average of these two estimates of value is included in the chart below. For the ABL and Mex-Tec GP, an appraisal was obtained in October 2015, and that value is indicated below.

It is important to note that the estimated value of the Tecate properties has declined significantly. When the Receiver obtained appraisals in 2013, the total value of the Tecate properties was \$1,156,500. Estimated values obtained in 2015 only valued the properties at \$686,995.

	<b>Western Land Purchase Price</b>	<b>Amount Raised From Investors</b>	<b>Excess Proceeds Raised by Western</b>	<b>Excess Proceeds %</b>	<b>2015 Estimated Value</b>
ABL Partners	N/A	\$1,433,000	N/A	N/A	\$90,000
Mex-Tec Partners	N/A	\$1,576,300	N/A	N/A	\$90,000
Total	N/A	\$3,009,300	N/A	N/A	\$180,000
Borderland Partners	N/A	\$1,173,500	N/A	N/A	\$61,928
Prosperity Partners	N/A	\$1,197,000	N/A	N/A	\$61,928
Total	N/A	\$2,370,500	N/A	N/A	\$123,856
Freetrade Partners	\$217,500	\$1,050,000	\$832,500	383%	\$60,319
Suntec Partners	\$217,500	\$875,000	\$657,500	302%	\$60,319
Via 188 Partners	\$217,500	\$780,500	\$563,000	259%	\$60,319
Total	\$652,500	\$2,705,500	\$2,053,000	315%	\$180,957
International Partners	\$142,500	\$704,000	\$561,500	394%	\$59,835
Tecate South Partners	N/A	\$969,600	N/A	N/A	\$59,884

Twin Plant Partners	N/A	\$1,090,000	N/A	N/A	\$39,607
Vista Tecate Partners	N/A	\$940,000	N/A	N/A	\$42,856
Total All Properties	N/A	\$11,788,900	N/A	N/A	\$686,995

**B. How the Difference Between the Original Purchase Prices and the Money Raised Was Spent by Western**

Western did not keep separate accounts for the funds it obtained from each GP. All funds it obtained from the GPs for selling land went to the same primary bank account. Therefore, there is no way to know exactly how the funds Western obtained for selling the Tecate land were used, as opposed to funds obtained from selling other land. However, the Receiver did an analysis of how funds were spent by Western for the time period 2005 - 2012. Based upon average amounts spent during that period by category, the estimated \$8,927,517 in excess proceeds received by Western (as described above) is estimated to have been spent as follows:

	<b>Average % Paid</b>	<b>Estimated Amount Paid</b>
Payments to Schooler	21%	\$1,909,717
Sales Commissions	15%	\$1,380,811
Payroll - Other	17%	\$1,558,579
Operating Expenses	21%	\$1,878,167
Western Investments in GPs	9%	\$810,372
Income Taxes	6%	\$501,789
Payments to Related Parties	6%	\$514,263
Payments to Escrow Companies	4%	\$373,818
	100%	\$8,927,517

Additional information on the Receiver's findings concerning the financial affairs of Western and the GPs can be found on the Receiver's website, [www.ethreeadvisors.com](http://www.ethreeadvisors.com) (use the SEC Case Docs tab), including Part One and Part Two of the Receiver's Forensic Accounting Report.

### III. CURRENT FINANCIAL STATUS OF TECATE GPS

Listed below are the current and projected cash balances for the Tecate GPs.

	<b>Cash as of 1/1/2015</b>	<b>Est 2015 &amp; 2016 Receipts</b>	<b>Est 2015 &amp; 2016 Expenses</b>	<b>Estimated Cash as of 12/31/2016</b>	<b>Percentage of Operational Bills Paid Since 2013</b>
ABL Partners	\$20,094	\$0	(\$12,717)	\$7,377	N/A
Mex-Tec Partners	\$34,925	\$0	(\$12,499)	\$22,426	N/A
Total	\$55,019	\$0	(\$25,216)	\$29,803	N/A
Borderland Partners	\$2,417	\$523	(\$20,990)	(\$18,050)	46%
Prosperity Partners	\$4,389	\$0	(\$23,353)	(\$18,964)	32%
Total	\$6,806	\$523	(\$44,343)	(\$37,014)	39%
Freetrade Partners	\$1,648	\$35	(\$18,179)	(\$16,496)	32%
Suntec Partners	\$4,792	\$0	(\$41,496)	(\$36,704)	7%
Via 188 Partners	\$2,717	\$0	(\$18,224)	(\$15,507)	61%
Total	\$9,157	\$35	(\$77,899)	(\$68,707)	14%
International Partners	\$3,108	\$0	(\$34,898)	(\$31,790)	18%
Tecate South Partners	\$1,956	\$61	(\$18,709)	(\$16,692)	43%
Twin Plant Partners	\$2,350	\$1,939	(\$95,036)	(\$90,747)	9%
Vista Tecate Partners	\$355	\$105	(\$22,349)	(\$21,889)	16%
Total All Properties	\$78,751	\$2,663	(\$318,450)	(\$237,036)	18%

The receipts consist solely of investor operational billing payments. Expenses consist primarily of administrative costs, tax preparation, property taxes, insurance, and most significantly, investor note payments and operational loan payments to Western. Attached as Exhibit "A" are actual and estimated receipts and disbursements for 2014, 2015 and 2016 for each GP.

All of the GPs (except the ABL and Mex-Tec GPs) require a capital call in order to fund ongoing operations through 2016, with all of these GPs actually running out of cash by the end of 2015. In addition, the Freetrade, Suntec, Via 188, International, Tecate South, Twin Plant and Vista Tecate GPs are already past due on property tax payments. Accordingly, a capital call will

be sent out shortly to the investors in all of the Tecate GPs (except the ABL and Mex-Tec GPs) to fund their projected deficiencies. Investors in the past have only paid on average 18% of any applicable prior operational billings.

It is important to understand that, because of the various co-tenancy structures for the Tecate property, the financial status of one GP can potentially affect the other GPs within that co-tenancy. If, for example, one GP in the group becomes unable to pay its operating expenses such as property taxes, the other GPs may be adversely effected by the late charges and/or penalties incurred for the land as a whole. Our current projection for Tecate is that this will start to occur before the end of 2015, or has already occurred (as relates to delinquent property taxes). Per the Court's order, if the investors in the various Tecate GPs that have co-tenancies do not raise sufficient funds in this capital call, investors in their remaining co-tenant GPs will be given the opportunity to cover the shortfall in capital needed to pay expenses. Tecate GP investors can also voluntarily contribute additional capital to their co-tenant GPs should any GP be unable to raise sufficient funds through a capital call. Should sufficient capital not be raised through these means, the Tecate property may be sold, subject to Court approval of the sale terms.

Due to the unique structure of the of the Tecate GPs (there are 7 distinct GP ownership "groupings" of one to three GPs for each land ownership), it is possible that the GPs could be treated separately based on investor funds raised or other factors.

#### IV. ESTIMATED CURRENT VALUE OF INVESTMENT

Listed below is the estimated cash proceeds that would be received from a sale of the property, based on their August – October 2015 estimated and appraised values. The estimated net sale proceeds are based on the stated broker opinion of value (less cost of sale). There are some underlying GP notes payable on the some of the Tecate properties. A sale based on these assumptions would yield net proceeds of \$387,769 for the GPs that comprise the Tecate property.

	<b>Estimated Net Sale Proceeds</b>	<b>GP Notes Payable to Western</b>	<b>Outstanding Balance on Mortgages</b>	<b>Estimated Cash Proceeds to GPs from Sale</b>
ABL Partners	\$83,700	\$0	\$0	\$83,700
Mex-Tec Partners	\$83,700	\$0	\$0	\$83,700
Total	\$167,400	\$0	\$0	\$167,400
Borderland Partners	\$57,593	\$0	\$0	\$57,593
Prosperity Partners	\$57,593	(\$76,317)	\$0	(\$18,724)
Total	\$115,186	(\$76,317)	\$0	\$38,869
Freetrade Partners	\$56,096	\$0	\$0	\$56,096
Suntec Partners	\$56,097	(\$141,409)	\$0	(\$85,312)

Via 188 Partners	\$56,097	\$0	\$0	\$56,097
Total	\$168,290	(\$141,409)	\$0	\$26,881
International Partners	\$55,647	(\$33,410)	\$0	\$22,237
Tecate South Partners	\$55,692	\$0	\$0	\$55,692
Twin Plant Partners	\$36,835	\$0	\$0	\$36,835
Vista Tecate Partners	\$39,856	\$0	\$0	\$39,856
Total all Properties	\$638,905	(\$251,136)	\$0	\$387,769

Sincerely,

A handwritten signature in blue ink that reads "Thomas C Hebrank". The signature is fluid and cursive, with the first name "Thomas" being more prominent than the last name "Hebrank".

Thomas C. Hebrank, CPA, CIRA  
Receiver

# **EXHIBIT “A”**



## ABL

### 2014/2015/2016 Operational Summary and Estimated Operational Expenses

	Actual 2014	Actual / Projected 2015	Projected 2016
Beginning Cash Balance	25,667	20,094	13,094
<b>Receipts</b>			
Partner Operational Contributions	-	-	-
2013 Cleared Deposits	(540)	-	-
Miscellaneous Receipts	-	-	-
Partner Note Payments	-	-	-
<b>Total Receipts</b>	(540)	-	-
<b>Disbursements</b>			
Administrator Payroll	1,400	1,300 <sup>1</sup>	1,200
K-1 Preparation	700	2,583 <sup>2</sup>	1,400
Property Taxes/Bond Payments	2,421	1,567	1,567
Insurance	300	300	300
Office Supplies	212	250	250
Appraisal	-	-	-
State and Local Entity Filings	-	-	-
Income Taxes	-	-	-
Miscellaneous	-	1,000 <sup>3</sup>	1,000
Operational Loan Repayment	-	-	-
Mortgage Loan Repayment	-	-	-
<b>Total Disbursements</b>	5,033	7,000	5,717
Ending Cash Balance	20,094	13,094	7,377
<b>Amount to be Billed</b>			-

<sup>1</sup> In April 2015, the GPs will pay a small upfront fee to Lincoln property, but will see comparable costs thereafter.

<sup>2</sup> It should be noted that the 2014 K-1 preparation was due in 2014, but not paid until 2015 because the Court had not yet authorized that payment. We anticipate that expense will be due and payable in the applicable year on a go-forward basis (i.e. billed in 2015 and paid in 2015). Therefore, the K-1 Preparation expenses include 2014 and 2015 fees.

<sup>3</sup> This amount is included for budgetary reasons but is not expensed if not used.

## Mex-Tec

### 2014/2015/2016 Operational Summary and Estimated Operational Expenses

	Actual 2014	Actual / Projected 2015	Projected 2016
Beginning Cash Balance	40,350	34,925	28,144
<b>Receipts</b>			
Partner Operational Contributions	-	-	-
2013 Cleared Deposits	(333)	-	-
Miscellaneous Receipts	-	-	-
Partner Note Payments	-	-	-
<b>Total Receipts</b>	<b>(333)</b>	<b>-</b>	<b>-</b>
<b>Disbursements</b>			
Administrator Payroll	1,300	1,300	<sup>1</sup> 1,200
K-1 Preparation	745	2,364	<sup>2</sup> 1,400
Property Taxes/Bond Payments	2,421	1,568	1,568
Insurance	300	300	300
Office Supplies	226	250	250
Appraisal	-	-	-
State and Local Entity Filings	-	-	-
Income Taxes	-	-	-
Miscellaneous	100	1,000	<sup>3</sup> 1,000
Operational Loan Repayment	-	-	-
Mortgage Loan Repayment	-	-	-
<b>Total Disbursements</b>	<b>5,092</b>	<b>6,781</b>	<b>5,718</b>
Ending Cash Balance	34,925	28,144	22,426
<b>Amount to be Billed</b>			-

<sup>1</sup> In April 2015, the GPs will pay a small upfront fee to Lincoln property, but will see comparable costs thereafter.

<sup>2</sup> It should be noted that the 2014 K-1 preparation was due in 2014, but not paid until 2015 because the Court had not yet authorized that payment. We anticipate that expense will be due and payable in the applicable year on a go-forward basis (i.e. billed in 2015 and paid in 2015). Therefore, the K-1 Preparation expenses include 2014 and 2015 fees.

<sup>3</sup> This amount is included for budgetary reasons but is not expensed if not used.

## Borderland

### 2014/2015/2016 Operational Summary and Estimated Operational Expenses

	Actual 2014	Actual / Projected 2015	Projected 2016
Beginning Cash Balance	3,705	2,417	(11,082)
<b>Receipts</b>			
Partner Operational Contributions	5,530	523	-
2013 Cleared Deposits	4,634		
Miscellaneous Receipts	-	-	-
Partner Note Payments	-	-	-
<b>Total Receipts</b>	<b>10,164</b>	<b>523</b>	<b>-</b>
<b>Disbursements</b>			
Administrator Payroll	1,600	1,300	<sup>1</sup> 1,200
K-1 Preparation	1,647	2,632	<sup>2</sup> 1,400
Property Taxes/Bond Payments	7,640	2,742	2,742
Insurance	300	350	350
Office Supplies	264	275	275
Appraisal	-	-	-
State and Local Entity Filings	-	-	-
Income Taxes	-	-	-
Miscellaneous	-	1,000	<sup>3</sup> 1,000
Operational Loan Repayment	-	3,397	<sup>4</sup> -
GP Note Owed to Western	-	2,327	<sup>5</sup> -
<b>Total Disbursements</b>	<b>11,452</b>	<b>14,023</b>	<b>6,967</b>
Ending Cash Balance	2,417	(11,082)	(18,049)

#### Amount to be Billed

**18,049**

- <sup>1</sup> In April 2015, the GPs will pay a small upfront fee to Lincoln property, but will see comparable costs thereafter.
- <sup>2</sup> It should be noted that the 2014 K-1 preparation was due in 2014, but not paid until 2015 because the Court had not yet authorized that payment. We anticipate that expense will be due and payable in the applicable year on a go-forward basis (i.e. billed in 2015 and paid in 2015). Therefore, the K-1 Preparation expenses include 2014 and 2015 fees.
- <sup>3</sup> This amount is included for budgetary reasons but is not expensed if not used.
- <sup>4</sup> In previous years, Western would cover portions of the operational bills for the partnerships when they did not have sufficient funds to pay these expenses. The Court has ordered us to recover these funds from the respective partnership.
- <sup>5</sup> This payment reflects the amount due from the partnership to Western for those Investors that financed their investment.

## Prosperity

### 2014/2015/2016 Operational Summary and Estimated Operational Expenses

	Actual 2014	Actual / Projected 2015	Projected 2016
Beginning Cash Balance	8,749	4,389	(12,047)
<b>Receipts</b>			
Partner Operational Contributions	7,334	-	-
2013 Cleared Deposits	1,417		
Miscellaneous Receipts	-	-	-
Partner Note Payments	-	-	-
<b>Total Receipts</b>	<b>8,751</b>	<b>-</b>	<b>-</b>
<b>Disbursements</b>			
Administrator Payroll	1,600	1,300	<sup>1</sup> 1,200
K-1 Preparation	745	2,128	<sup>2</sup> 1,400
Property Taxes/Bond Payments	7,640	2,742	2,742
Insurance	300	300	300
Office Supplies	267	275	275
Appraisal	-	-	-
State and Local Entity Filings	-	-	-
Income Taxes	-	-	-
Miscellaneous	-	1,000	<sup>3</sup> 1,000
Operational Loan Repayment	2,559	1,477	<sup>4</sup> -
GP Note Owed to Western	-	7,214	<sup>5</sup> -
<b>Total Disbursements</b>	<b>13,111</b>	<b>16,436</b>	<b>6,917</b>
Ending Cash Balance	4,389	(12,047)	(18,964)

#### Amount to be Billed

**18,964**

<sup>1</sup> In April 2015, the GPs will pay a small upfront fee to Lincoln property, but will see comparable costs thereafter.

<sup>2</sup> It should be noted that the 2014 K-1 preparation was due in 2014, but not paid until 2015 because the Court had not yet authorized that payment. We anticipate that expense will be due and payable in the applicable year on a go-forward basis (i.e. billed in 2015 and paid in 2015). Therefore, the K-1 Preparation expenses include 2014 and 2015 fees.

<sup>3</sup> This amount is included for budgetary reasons but is not expensed if not used.

<sup>4</sup> In previous years, Western would cover portions of the operational bills for the partnerships when they did not have sufficient funds to pay these expenses. The Court has ordered us to recover these funds from the respective partnership.

<sup>5</sup> This payment reflects the amount due from the partnership to Western for those Investors that financed their investment.

## Free Trade

### 2014/2015/2016 Operational Summary and Estimated Operational Expenses

	Actual 2014	Actual / Projected 2015	Projected 2016
Beginning Cash Balance	2,971	1,648	(9,604)
<b>Receipts</b>			
Partner Operational Contributions	2,448	35	-
2013 Cleared Deposits	190	-	-
Miscellaneous Receipts	-	-	-
Partner Note Payments	-	-	-
<b>Total Receipts</b>	<u>2,638</u>	<u>35</u>	<u>-</u>
<b>Disbursements</b>			
Administrator Payroll	1,600	1,300	<sup>1</sup> 1,200
K-1 Preparation	150	2,223	<sup>2</sup> 1,400
Property Taxes/Bond Payments	1,613	6,289	<sup>3</sup> 2,817
Insurance	337	200	200
Office Supplies	261	275	275
Appraisal	-	-	-
State and Local Entity Filings	-	-	-
Income Taxes	-	-	-
Miscellaneous	-	1,000	<sup>4</sup> 1,000
Operational Loan Repayment	-	-	-
GP Note Owed to Western	-	-	-
<b>Total Disbursements</b>	<u>3,962</u>	<u>11,287</u>	<u>6,892</u>
Ending Cash Balance	<u>1,648</u>	<u>(9,604)</u>	<u>(16,497)</u>
<b>Amount to be Billed</b>			<b>16,497</b>

<sup>1</sup> In April 2015, the GPs will pay a small upfront fee to Lincoln property, but will see comparable costs thereafter.

<sup>2</sup> It should be noted that the 2014 K-1 preparation was due in 2014, but not paid until 2015 because the Court had not yet authorized that payment. We anticipate that expense will be due and payable in the applicable year on a go-forward basis (i.e. billed in 2015 and paid in 2015). Therefore, the K-1 Preparation expenses include 2014 and 2015 fees.

<sup>3</sup> This amount includes a portion of past due property taxes from 2014.

<sup>4</sup> This amount is included for budgetary reasons but is not expensed if not used.

## Suntec

### 2014/2015/2016 Operational Summary and Estimated Operational Expenses

	Actual 2014	Actual / Projected 2015	Projected 2016
Beginning Cash Balance	11,605	4,792	(17,927)
<b>Receipts</b>			
Partner Operational Contributions	7,843	-	-
2013 Cleared Deposits	(445)	-	-
Miscellaneous Receipts	-	-	-
Partner Note Payments	-	-	-
<b>Total Receipts</b>	<u>7,399</u>	<u>-</u>	<u>-</u>
<b>Disbursements</b>			
Administrator Payroll	2,400	1,450	<sup>1</sup> 1,200
K-1 Preparation	740	1,620	<sup>2</sup> 1,400
Property Taxes/Bond Payments	1,613	6,289	<sup>3</sup> 2,817
Insurance	337	337	337
Interest Expense	2,765		-
Office Supplies	191	200	200
Appraisal	-	-	-
State and Local Entity Filings	-	-	-
Income Taxes	-	-	-
Miscellaneous	-	1,000	<sup>4</sup> 1,000
Operational Loan Repayment	6,165	3,527	<sup>5</sup> 3,527
GP Note Owed to Western	-	8,295	<sup>6</sup> 8,295
<b>Total Disbursements</b>	<u>14,212</u>	<u>22,719</u>	<u>18,777</u>
Ending Cash Balance	<u>4,792</u>	<u>(17,927)</u>	<u>(36,704)</u>
<b>Amount to be Billed</b>			<b>36,704</b>

<sup>1</sup> In April 2015, the GPs will pay a small upfront fee to Lincoln property, but will see comparable costs thereafter.

<sup>2</sup> It should be noted that the 2014 K-1 preparation was due in 2014, but not paid until 2015 because the Court had not yet authorized that payment. We anticipate that expense will be due and payable in the applicable year on a go-forward basis (i.e. billed in 2015 and paid in 2015). Therefore, the K-1 Preparation expenses include 2014 and 2015 fees.

<sup>3</sup> The amount in 2015 includes defaulted property taxes for 2014.

<sup>4</sup> This amount is included for budgetary reasons but is not expensed if not used.

<sup>5</sup> The Partnership owes \$17,636 in past due operational loans, but the Receiver is only attempting to pay down \$3,527 this year. At this rate the loan will be paid off in five years.

<sup>6</sup> This payment reflects the amount due from the partnership to Western for those Investors that financed their investment. The partnership owes Western \$41,475 and we have scheduled this amount to be collected over 5 years.

**Via 188**

## 2014/2015/2016 Operational Summary and Estimated Operational Expenses

	Actual 2014	Actual / Projected 2015	Projected 2016
Beginning Cash Balance	2,194	2,717	(8,428)
<b>Receipts</b>			
Investor Operational Contributions	4,833	-	-
2013 Cleared Deposits	1,197		
Misc. Reciepts	-	-	-
Investor Note Payments	-	-	-
<b>Total Receipts</b>	6,029	-	-
<b>Disbursements</b>			
Administrator Payroll	1,800	1,450	<sup>1</sup> 1,200
K-1 Preparation	1,441	1,745	<sup>2</sup> 1,400
Property Taxes/Bond Payments	1,613	6,289	<sup>3</sup> 2,817
Insurance	337	337	337
Office Supplies	315	325	325
Appraisal	-	-	-
State and Local Entity Filings	-	-	-
Income Taxes	-	-	-
Miscellaneous	-	1,000	<sup>4</sup> 1,000
Operational Loan Repayment	-	-	-
GP Note Owed to Western	-	-	-
<b>Total Disbursements</b>	5,506	11,145	7,079
Ending Cash Balance	2,717	(8,428)	(15,508)
<b>Amount to be Billed</b>			<b>15,508</b>

<sup>1</sup> In April 2015, the GPs will pay a small upfront fee to Lincoln property, but will see comparable costs thereafter.

<sup>2</sup> It should be noted that the 2014 K-1 preparation was due in 2014, but not paid until 2015 because the Court had not yet authorized that payment. We anticipate that expense will be due and payable in the applicable year on a go-forward basis (i.e billed in 2015 and paid in 2015). Therefore, the K-1 Preparation expenses include 2014 and 2015 fees.

<sup>3</sup> This amount includes a portion of past due property taxes from 2014.

<sup>4</sup> This amount is included for budgetary reasons but is not expensed if not used.

## International

### 2014/2015/2016 Operational Summary and Estimated Operational Expenses

	Actual 2,014	Actual / Projected 2,015	Projected 2,016
Beginning Cash Balance	15,222	3,108	(13,564)
<b>Receipts</b>			
Investor Operational Contributions	8,380	-	-
Misc. Reciepts	-	-	-
Investor Note Payments	-	-	-
<b>Total Receipts</b>	<b>8,380</b>	<b>-</b>	<b>-</b>
<b>Disbursements</b>			
Administrator Fees	1,950	1,450	<sup>1</sup> 1,200
K-1 Preparation	680	3,380	<sup>2</sup> 1,400
Property Taxes/Bond Payments	14,789	4,610	8,394
Insurance	612	612	612
Office Supplies	179	200	200
Appraisal	-	-	-
State and Local Entity Filings	-	-	-
Income Taxes	-	-	-
Miscellaneous	-	1,000	<sup>3</sup> 1,000
Operational Loan Repayment	1,700	3,668	<sup>4</sup> 3,668
GP Note Owed to Western	584	1,752	<sup>5</sup> 1,752
<b>Total Disbursements</b>	<b>20,494</b>	<b>16,672</b>	<b>18,226</b>
Ending Cash Balance	3,108	(13,564)	(31,789)
<b>Amount to be Billed</b>			<b>31,789</b>

<sup>1</sup> In April 2015, the GPs will pay a small upfront fee to Lincoln property, but will see comparable costs thereafter.

<sup>2</sup> It should be noted that the 2014 K-1 preparation was due in 2014, but not paid until 2015 because the Court had not yet authorized that payment. We anticipate that expense will be due and payable in the applicable year on a go-forward basis (i.e. billed in 2015 and paid in 2015). Therefore, the K-1 Preparation expenses include 2014 and 2015 fees.

<sup>3</sup> This amount is included for budgetary reasons but is not expensed if not used.

<sup>4</sup> The Partnership owes \$18,337 in past due operational loans, but the Receiver is only attempting to pay down \$3,668 this year. At this rate, the loan will be paid off in five years.

<sup>5</sup> This payment reflects the amount due from the partnership to Western for those Investors that financed their investment.



## Tecate South

### 2014/2015/2016 Operational Summary and Estimated Operational Expenses

	Actual 2,014	Actual / Projected 2,015	Projected 2,016
Beginning Cash Balance	4,641	1,956	(8,932)
<b>Receipts</b>			
Investor Operational Contributions	9,466	61	-
Misc. Reciepts	-	-	-
Investor Note Payments	-	-	-
<b>Total Receipts</b>	<b>9,466</b>	<b>61</b>	<b>-</b>
<b>Disbursements</b>			
Administrator Fees	1,800	1,450	<sup>1</sup> 1,200
K-1 Preparation	740	1,745	<sup>2</sup> 1,400
Property Taxes/Bond Payments	8,895	3,027	3,360
Insurance	527	600	600
Office Supplies	189	200	200
Appraisal	-	-	-
State and Local Entity Filings	-	-	-
Income Taxes	-	-	-
Miscellaneous	-	1,000	<sup>3</sup> 1,000
Operational Loan Repayment	-	1,661	<sup>4</sup> -
GP Note Owed to Western	-	1,266	<sup>5</sup> -
<b>Total Disbursements</b>	<b>12,151</b>	<b>10,949</b>	<b>7,760</b>
Ending Cash Balance	1,956	(8,932)	(16,692)
<b>Amount to be Billed</b>			<b>16,692</b>

<sup>1</sup> In April 2015, the GPs will pay a small upfront fee to Lincoln property, but will see comparable costs thereafter.

<sup>2</sup> It should be noted that the 2014 K-1 preparation was due in 2014, but not paid until 2015 because the Court had not yet authorized that payment. We anticipate that expense will be due and payable in the applicable year on a go-forward basis (i.e. billed in 2015 and paid in 2015). Therefore, the K-1 Preparation expenses include 2014 and 2015 fees.

<sup>3</sup> This amount is included for budgetary reasons but is not expensed if not used.

<sup>4</sup> In previous years, Western would cover portions of the operational bills for the partnerships when they did not have sufficient funds to pay these expenses. The Court has ordered us to recover these funds from the respective partnership.

<sup>5</sup> This payment reflects the amount due from the partnership to Western for those Investors that financed their investment.

## Twin Plant

### 2014/2015/2016 Operational Summary and Estimated Operational Expenses

	Actual 2014	Actual / Projected 2015	Projected 2016
Beginning Cash Balance	10,251	2,350	(62,151)
<b>Receipts</b>			
Investor Operational Contributions	10,241	1,939	-
Misc. Reciepts	-	-	-
Investor Note Payments	-	-	-
<b>Total Receipts</b>	<u>10,241</u>	<u>1,939</u>	<u>-</u>
<b>Disbursements</b>			
Administrator Fees	2,250	1,450	<sup>1</sup> 1,200
K-1 Preparation	725	1,980	<sup>2</sup> 1,800
Property Taxes/Bond Payments	14,355	49,290	<sup>3</sup> 14,664
Insurance	600	600	600
Office Supplies	212	225	225
Appraisal	-	-	-
State and Local Entity Filings	-	-	-
Income Taxes	-	-	-
Miscellaneous	-	1,000	<sup>4</sup> 1,000
Operational Loan Repayment	-	9,107	<sup>5</sup> 9,107
GP Note Owed to Western	-	2,787	<sup>6</sup> -
<b>Total Disbursements</b>	<u>18,142</u>	<u>66,440</u>	<u>28,596</u>
Ending Cash Balance	<u>2,350</u>	<u>(62,151)</u>	<u>(90,747)</u>
<b>Amount to be Billed</b>			<b>90,747</b>

<sup>1</sup> In April 2015, the GPs will pay a small upfront fee to Lincoln property, but will see comparable costs thereafter.

<sup>2</sup> It should be noted that the 2014 K-1 preparation was due in 2014, but not paid until 2015 because the Court had not yet authorized that payment. We anticipate that expense will be due and payable in the applicable year on a go-forward basis (i.e. billed in 2015 and paid in 2015). Therefore, the K-1 Preparation expenses include 2014 and 2015 fees.

<sup>3</sup> This amount includes a portion of past due property taxes from 2014.

<sup>4</sup> This amount is included for budgetary reasons but is not expensed if not used.

<sup>5</sup> The Partnership owes \$45,534 in past due operational loans, but the Receiver is only attempting to pay down \$9,107 this year. At this rate the loan will be paid off in five years.

<sup>6</sup> This payment reflects the amount due from the partnership to Western for those Investors that financed their investment.

## Vista Tecate

### 2014/2015/2016 Operational Summary and Estimated Operational Expenses

	Actual 2014	Actual / Projected 2015	Projected 2016
Beginning Cash Balance	6,088	355	(13,803)
<b>Receipts</b>			
Partner Operational Contributions	2,686	105	-
2013 Cleared Deposits	98		
Miscellaneous Receipts	-	-	-
Partner Note Payments	-	-	-
<b>Total Receipts</b>	<u>2,785</u>	<u>105</u>	<u>-</u>
<b>Disbursements</b>			
Administrator Payroll	2,250	1,450	<sup>1</sup> 1,200
K-1 Preparation	1,627	2,000	<sup>2</sup> 1,800
Property Taxes/Bond Payments	3,687	7,867	<sup>3</sup> 3,120
Insurance	666	666	666
Office Supplies	287	300	300
Appraisal	-	-	-
State and Local Entity Filings	-	-	-
Income Taxes	-	-	-
Miscellaneous	-	1,000	<sup>4</sup> 1,000
Operational Loan Repayment	-	980	<sup>5</sup> -
GP Note Owed to Western	-	-	-
<b>Total Disbursements</b>	<u>8,517</u>	<u>14,263</u>	<u>8,086</u>
Ending Cash Balance	<u>355</u>	<u>(13,803)</u>	<u>(21,889)</u>
<b>Amount to be Billed</b>			<b>21,889</b>

<sup>1</sup> In April 2015, the GPs will pay a small upfront fee to Lincoln property, but will see comparable costs thereafter.

<sup>2</sup> It should be noted that the 2014 K-1 preparation was due in 2014, but not paid until 2015 because the Court had not yet authorized that payment. We anticipate that expense will be due and payable in the applicable year on a go-forward basis (i.e. billed in 2015 and paid in 2015). Therefore, the K-1 Preparation expenses include 2014 and 2015 fees.

<sup>3</sup> The amount in 2015 includes defaulted property taxes due for 2013 and 2014.

<sup>4</sup> This amount is included for budgetary reasons but is not expensed if not used.

<sup>5</sup> In previous years, Western would cover portions of the operational bills for the partnerships when they did not have sufficient funds to pay these expenses. The Court has ordered us to recover these funds from the respective partnership.