



October 30, 2015

Yuma III Information Packet

- Mountain View Partners (2008) – 25%
- Ocotillo Partners (2008) – 25%
- Cactus Ridge Partners (2008) – 25%
- Mohawk Mountain Partners (2008) – 25%

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 (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

Western bought the Yuma III land for a purchase price of \$1,975,270 in December 2005. In 2008, Western formed 4 underlying partnerships, each with a 25% undivided interest in the property. Western raised \$7,043,500 when it sold the land to investors, or \$5,068,228 (257%) more than it paid for the land. The Yuma III property purchase by Western consisted of 6 parcels for a total of 369 acres. When Western sold property interests to the Yuma III GPs, it retained for itself 2 parcels totaling 36 acres of the original land purchase. In addition, Western transferred \$5,799,587 of the excess proceeds to itself after the initial fundings.

The Yuma III GPs 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 was able to obtain a broker opinion of value of \$159,620 from a local broker in September 2015. An appraisal obtained by the Receiver in 2013 similarly valued the property at \$141,000.

This is all outlined in the chart below.

| | Western Land Purchase Price | Amount Raised From Investors | Excess Proceeds Raised by Western | Excess Proceeds % | 2015 Estimated Value |
|--------------------------|--|---|--|----------------------------------|-------------------------------------|
| Mountain View Partners | \$493,818 | \$1,683,600 | \$1,189,782 | 241% | \$39,905 |
| Ocotillo Partners | \$493,818 | \$1,734,100 | \$1,240,282 | 251% | \$39,905 |
| Cactus Ridge Partners | \$493,817 | \$1,786,100 | 1,292,283 | 262% | \$39,905 |
| Mohawk Mountain Partners | \$493,817 | \$1,839,700 | \$1,345,883 | 273% | \$39,905 |
| | \$1,975,270 | \$7,043,500 | \$5,068,230 | 257% | \$159,620 |

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 Yuma III 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 \$5,068,230 in excess proceeds received by Western is estimated to have been spent as follows:

| | Average % Paid | Estimated Amount Paid |
|------------------------------|---------------------------|----------------------------------|
| Payments to Schooler | 21% | \$1,084,163 |
| Sales Commissions | 15% | \$783,898 |
| Payroll - Other | 17% | \$884,819 |
| Operating Expenses | 21% | \$1,066,252 |
| Western Investments in GPs | 9% | \$460,055 |
| Income Taxes | 6% | \$284,870 |
| Payments to Related Parties | 6% | \$291,952 |
| Payments to Escrow Companies | 4% | \$212,220 |
| | 100% | \$5,068,228 |

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 (use the SEC Case Docs tab), including Part One and Part Two of the Receiver's Forensic Accounting Report.

III. CURRENT FINANCIAL STATUS OF YUMA III GPS

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

| | Cash as of 1/1/2015 | Est 2015 & 2016 Receipts | Est 2015 & 2016 Expenses | Estimated Cash as of 12/31/2016 | Percentage of Operational Bills Paid Since 2013 |
|------------------------|--------------------------------|---|---|--|--|
| Mountain View Partners | \$4,745 | \$10,570 | (\$39,100) | (\$23,785) | N/A |
| Ocotillo Partners | \$34,687 | \$12,412 | (\$20,212) | \$26,887 | N/A |
| Cactus Ridge Partners | \$9,691 | \$9,394 | (\$46,879) | (\$27,794) | N/A |
| Mohawk Mountain | \$45,141 | \$41,984 | (\$125,064) | (\$37,939) | N/A |
| | \$94,264 | \$74,360 | (\$231,255) | (\$62,631) | N/A |

The receipts consist solely of investor note payments made by investors who financed a portion of their investments with Western. Expenses consist primarily of administrative costs, tax preparation, property taxes, insurance, and most significantly, loan payments to Western for financed investments. Attached as Exhibit "A" are actual and estimated receipts and disbursements for 2014, 2015 and 2016 for each GP.

All of the GPs except Ocotillo Partners require a capital call in order to fund ongoing operations through 2016, with most either running out of cash or having very low cash balances by the end of 2015. Accordingly, a capital call will be sent out shortly to the investors in Mountain View, Cactus Ridge and Mohawk Mountain Partners to fund their projected deficiencies.

It is important to understand that, because of the co-tenancy structure for the Yuma III property, in which each of the four GPs own a percentage of the same land, the financial status of each GP can potentially affect the other GPs. 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 Yuma III is that this will start to occur before the end of 2015. Per the Court's order, if the investors in the Mountain View, Cactus Ridge and Mohawk Mountain GPs do not raise sufficient funds in this capital call, investors in the remaining Yuma III GPs will be given the opportunity to cover the shortfall in capital needed to pay expenses. Yuma III GP investors can also voluntarily contribute additional capital to the other Yuma III GPs (to be treated as a loan) should any GP be unable to raise sufficient funds through a capital call. Should sufficient capital not be raised through these means, the Yuma III property may be sold, subject to Court approval of the sale terms.

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 its September 2015 estimated value. The estimated net sale proceeds are

based on the stated broker opinion of value (less cost of sale). There are underlying GP notes payable to Western as well as mortgages on the Yuma III property. A sale based on these assumptions would yield negative net proceeds of (\$56,725) for the 4 GPs that comprise the Yuma III property. The property is not being considered “underwater” at this time, since the estimated net sales proceeds exceed the mortgage payable amounts (ignoring the notes payable to Western).

| | Estimated Net Sale Proceeds | GP Notes Payable to Western | Outstanding Balance on Mortgages | Estimated Cash Proceeds to GPs from Sale |
|------------------------|--|--|---|---|
| Mountain View Partners | \$37,112 | (\$29,376) | (\$27,330) | (\$19,594) |
| Ocotillo Partners | \$37,112 | \$0 | (\$27,330) | \$9,782 |
| Cactus Ridge Partners | \$37,112 | (\$25,976) | (\$27,330) | (\$16,194) |
| Mohawk Mountain | \$37,111 | (\$40,500) | (\$27,330) | (\$30,719) |
| | \$148,447 | (\$95,852) | (\$109,320) | (\$56,725) |

Sincerely,



Thomas C. Hebrank, CPA, CIRA
Receiver

EXHIBIT “A”

Mountain View

2014/2015/2016 Operational Summary and Estimated Operational Expenses

| | Actual 2014 | Actual / Projected 2015 | Projected 2016 |
|-----------------------------------|----------------|-------------------------------|--------------------|
| Beginning Cash Balance | 42,424 | 4,745 | (24,604) |
| Receipts | | | |
| Partner Operational Contributions | - | - | - |
| 2013 Cleared Deposits | (540) | - | - |
| Miscellaneous Receipts | - | - | - |
| Partner Note Payments | 8,091 | 5,285 | 5,285 |
| Total Receipts | 7,551 | 5,285 | 5,285 |
| Disbursements | | | |
| Administrator Payroll | 1,200 | 1,300 | ¹ 1,200 |
| K-1 Preparation | 700 | 2,094 | ² 1,400 |
| Property Taxes/Bond Payments | 825 | 776 | 465 |
| Insurance | 188 | 200 | 200 |
| Office Supplies | 175 | 200 | 200 |
| Appraisal | - | - | - |
| State and Local Entity Filings | - | - | - |
| Income Taxes | - | - | - |
| Miscellaneous | - | 1,000 | ³ 1,000 |
| Operational Loan Repayment | - | - | - |
| Note Repayment to Western | 42,142 | 29,065 | ⁴ - |
| Total Disbursements | 45,230 | 34,635 | 4,465 |
| Ending Cash Balance | 4,745 | (24,604) | (23,785) |
| Amount to be Billed | | | 23,785 |

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

² 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.

³ This amount is included for budgetary reasons but is not expensed if not used.

⁴ This payment reflects the amount due from the partnership to Western for those Investors that financed their investment.

Ocotillo

2014/2015/2016 Operational Summary and Estimated Operational Expenses

| | Actual 2014 | Actual / Projected 2015 | Projected 2016 |
|-----------------------------------|----------------|-------------------------------|-------------------|
| Beginning Cash Balance | 66,924 | 34,687 | 25,121 |
| Receipts | | | |
| Partner Operational Contributions | - | - | - |
| 2013 Cleared Deposits | - | - | - |
| Miscellaneous Receipts | - | - | - |
| Partner Note Payments | 6,206 | 6,206 | 6,206 |
| Total Receipts | 6,206 | 6,206 | 6,206 |
| Disbursements | | | |
| Administrator Payroll | 1,200 | 1,300 ¹ | 1,200 |
| K-1 Preparation | 700 | 1,889 ² | 1,400 |
| Property Taxes/Bond Payments | 825 | 776 | 465 |
| Insurance | 188 | 200 | 200 |
| Office Supplies | 169 | 175 | 175 |
| Appraisal | - | - | - |
| State and Local Entity Filings | - | - | - |
| Income Taxes | - | - | - |
| Miscellaneous | - | 1,000 ³ | 1,000 |
| Operational Loan Repayment | - | - | - |
| Note Repayment to Western | 35,361 | 10,432 ⁴ | - |
| Total Disbursements | 38,442 | 15,772 | 4,440 |
| Ending Cash Balance | 34,687 | 25,121 | 26,887 |
| Amount to be Billed | | | - |

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² 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.

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Cactus Ridge

2014/2015/2016 Operational Summary and Estimated Operational Expenses

| | Actual 2014 | Actual / Projected 2015 | Projected 2016 |
|-----------------------------------|----------------|-------------------------------|--------------------|
| Beginning Cash Balance | 49,350 | 9,691 | (28,038) |
| Receipts | | | |
| Partner Operational Contributions | - | - | - |
| 2013 Cleared Deposits | 54 | - | - |
| Miscellaneous Receipts | - | - | - |
| Partner Note Payments | 7,130 | 4,697 | 4,697 |
| Total Receipts | 7,184 | 4,697 | 4,697 |
| Disbursements | | | |
| Administrator Payroll | 1,200 | 1,300 | ¹ 1,200 |
| K-1 Preparation | 700 | 2,167 | ² 1,400 |
| Property Taxes/Bond Payments | 825 | 776 | 465 |
| Insurance | 188 | 188 | 188 |
| Office Supplies | 199 | 200 | 200 |
| Appraisal | - | - | - |
| State and Local Entity Filings | - | - | - |
| Income Taxes | - | - | - |
| Miscellaneous | - | 1,000 | ³ 1,000 |
| Operational Loan Repayment | - | - | - |
| Note Repayment to Western | 43,730 | 36,795 | ⁴ - |
| Total Disbursements | 46,842 | 42,426 | 4,453 |
| Ending Cash Balance | 9,691 | (28,038) | (27,793) |
| Amount to be Billed | | | 27,793 |

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

² 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.

³ This amount is included for budgetary reasons but is not expensed if not used.

⁴ This payment reflects the amount due from the partnership to Western for those Investors that financed their investment.

Mohawk Mountain

2014/2015/2016 Operational Summary and Estimated Operational Expenses

| | Actual 2014 | Actual / Projected 2015 | Projected 2016 |
|-----------------------------------|----------------|-------------------------------|-------------------|
| Beginning Cash Balance | 77,669 | 45,141 | 1,227 |
| Receipts | | | |
| Partner Operational Contributions | - | - | - |
| 2013 Cleared Deposits | (540) | - | - |
| Miscellaneous Receipts | - | - | - |
| Partner Note Payments | 30,831 | 20,992 | 20,992 |
| Total Receipts | 30,291 | 20,992 | 20,992 |
| Disbursements | | | |
| Administrator Payroll | 1,200 | 1,300 ¹ | 1,200 |
| K-1 Preparation | 700 | 1,922 ² | 1,400 |
| Property Taxes/Bond Payments | 825 | 776 | 465 |
| Insurance | 188 | 200 | 200 |
| Office Supplies | 143 | 150 | 150 |
| Appraisal | - | - | - |
| State and Local Entity Filings | - | - | - |
| Income Taxes | - | - | - |
| Miscellaneous | 204 | 1,000 ³ | 1,000 |
| Operational Loan Repayment | - | - | - |
| Note Repayment to Western | 59,558 | 59,558 ⁴ | 55,742 |
| Total Disbursements | 62,818 | 64,906 | 60,158 |
| Ending Cash Balance | 45,141 | 1,227 | (37,938) |
| Amount to be Billed | | | 37,938 |

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

² 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.

³ This amount is included for budgetary reasons but is not expensed if not used.

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