FORM 10-K

Annual report pursuant to section 13 and 15(d)

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FILER

BOETTCHER WESTERN PROPERTIES III LTD

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

(Mark One)
[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended September 30, 1996

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR (15d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from None to None

Commission file number 0-11502

BOETTCHER WESTERN PROPERTIES III LTD.
(Exact name of registrant as specified in its charter)

COLORADO	84-0911344
(State or other jurisdiction of incorporation or organization)	(I.R.S.Employer Identification No.)
77 West Wacker Drive, Chicago, Illinois	60601
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code (312) 574-6000

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
None	None

Securities registered pursuant to Section 12(g) of the Act:

Units of Limited Partnership Interest
(Title of Class)

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [ ]

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. X Yes No

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PART I

Item 1. BUSINESS

General

Boettcher Western Properties III Ltd. (the "Partnership") was organized in March 1983 as a Colorado limited partnership. The Partnership's primary business is to own and operate income-producing properties. At September 30, 1996, the Partnership owned and operated one shopping center located in California ("Venetian Square Shopping Center"), which is being held for sale (the "Remaining Property"). The Remaining Property is more fully described in Item 2 of this report.

The Partnership, as of September 30, 1996, did not directly employ any persons; it is however, a party to a Management Agreement with Boettcher Properties, Ltd. Under the terms of the Management Agreement, Boettcher Properties, Ltd. is responsible for the day-to-day operations of the Partnership, and operating and managing its investments. All regular employees rendering service on behalf of the Partnership are employees of Boettcher Properties, Ltd. or its affiliates. The Remaining Property is owned directly by the Partnership and is managed by an independent, third-party property manager who performs daily property management services.

The General Partners of the Partnership are Boettcher Properties, Ltd. and Boettcher 1983 Associates, Ltd. (the "General Partners"), both Colorado limited partnerships. The Managing General Partner of the Partnership is Boettcher Properties, Ltd. (the "Managing General Partner") and the Associate General Partner is Boettcher 1983 Associates, Ltd. (the "Associate General Partner"). With limited exceptions, the General Partners of the Partnership have exclusive control over the business of the Partnership, which powers are exercised only by the Managing General Partner.

For the fiscal year ended September 30, 1996, gross rents and tenant reimbursements generated by the Partnership's income-producing properties represented 95% of total Partnership revenue. Monthly rental income is derived from tenant leases at the properties. Commercial leases for Venetian Square

Shopping Center contain longer lease terms, which vary from one year up to five years for most tenants and up to twenty-five years for major anchor tenants. Commercial leases permit the pass through by the owner of taxes, insurance and common area operating costs to the tenants.

Competition

The Partnership faces active competition in all aspects of its business. The Partnership competes with entities which own properties similar in type to the one owned by the Partnership. The ability of the Partnership to compete with these entities depends on many factors, including the location, size, condition of its facilities and the availability of similar facilities. When comparable space is available in a general location, the Partnership competes through rental rates and lease terms, among other variables. Now that the Remaining Property is held for sale, the Partnership is competing with other income-producing properties for prospective purchasers. While no statistical information is currently available to delineate the Partnership's competitive position, many of its competitors are believed to have assets and revenues greater than those of the Partnership.

Cash Reserves and Debt Maturities

The Partnership is required under its Partnership Agreement to maintain cash reserves of not less than 3% of aggregate capital contributions for normal repairs, replacements, working capital and other contingencies. As of September 30, 1996, the Partnership had cash reserves of $1,240,077, while the required minimum amount was $660,000. The Partnership intends to apply cash flow generated from Partnership operations in fiscal 1997, if any, to maintain minimum required cash reserves, including any additional reserves deemed necessary by the Managing General Partner to cover potential remediation costs of the petroleum contamination at Venetian Square Shopping Center discussed below under "Other Factors" and in Note 7 to the Financial Statements contained in Item 8 of this report. Thereafter, the Partnership intends to pay the Managing General Partner all unpaid cash advances made to the Partnership, all unpaid administrative reimbursements, all unpaid property management fees and all deferred fees earned by the Managing General Partner, which total $22,961, $8,640, $1,228 and $569,494, respectively, as of September 30, 1996.

The Managing General Partner is attempting to sell the Partnership's remaining real estate investment in fiscal 1997. However, there can be no assurances that the Partnership will sell the Remaining Property in 1997. The Managing General Partner believes that the sale will provide net proceeds to the Partnership after the payment of sales costs, closing costs and mortgages payable; however, the sale transaction may include both cash at closing and deferred payments to the Partnership. The ability of the Partnership to sell Venetian Square Shopping Center may be adversely affected by the potential remediation costs of the petroleum contamination at the property as described below under "Other Factors". The Partnership intends to apply net sales proceeds to establish and maintain the Partnership's minimum required cash reserves, as necessary, including any additional reserves to cover potential remediation costs. Thereafter, the Partnership intends to pay amounts owed to the Managing General Partner, and to make distributions to limited partners. The Partnership has entered into a listing agreement with unrelated real estate brokerage firm to act as the exclusive selling agent for the Remaining Property. This investment is classified as property held for sale at September 30, 1996.

Other Factors

Seasonal weather conditions do not have a material impact on the operations of the Remaining Property, although the usage of water, gas, electricity and the attendant expense may vary according to the particular season and geographic location.

Federal, state and local laws and regulations, which have been enacted or adopted regulating the discharge of materials into the environment or otherwise relating to the protection of the environment do not presently have a material effect on the operations of the Remaining Property nor on the capital expenditures, earnings or competitive position of the Partnership and no material effect is anticipated in the future, subject to the environmental assessment which is currently underway at Venetian Square Shopping Center and the potential remediation costs payable by the Partnership.

Environmental site assessments have been and are currently being performed on a parcel of land adjacent to and part of Venetian Square Shopping Center. This parcel of land had previously been operated as a card-lock fueling station containing underground fuel storage tanks. In fiscal 1992, these underground fuel storage tanks were excavated and removed from this parcel of land, at which time leakage of petroleum contaminants was discovered. The Partnership has been advised that groundwater contamination has also occurred and the Partnership is in the process of determining the method, cost and timing of required soil and groundwater remediation measures. For additional discussion of this matter, refer to Note 7 to the Financial Statements as contained in Item 8 of this report.

Other federal, state and local laws and regulations, including requirements of the Americans with Disabilities Act, may require that the Partnership incur capital expenditures to ensure compliance. At this time, it is not anticipated that these capital expenditures will materially affect the Partnership's cash flows.

The Tax Reform Act of 1986 resulted in reduced tax benefits for purchasers of real estate. To offset the loss of such benefits, purchasers may negotiate lower prices when acquiring properties to achieve yields comparable to those that resulted from the combination of cash flow and tax benefits available prior to the Tax Reform Act of 1986. In addition, the value of tax losses allocated to individual limited partners has been significantly reduced due to passive loss limitations and reduced tax rates.

The business of the Partnership to date has involved only one industry segment; accordingly, all information required by Item 101(b) of Regulation S-K is included in the Financial Statements as contained in Item 8 of this report. The Partnership has no foreign operations.

Item 2. PROPERTIES

At September 30, 1996, the Partnership owned and operated one shopping center, which is being held for sale, as more fully described below:

<TABLE>
<CAPTION>

Name and Location	General Character of Property
<S>	<C>
Venetian Square Shopping Center 4555 North Pershing Avenue Stockton, California	3-building shopping center containing approximately 117,107 square feet of net rentable area on approximately 9.2 acres of land.

</TABLE>

As stated above, at September 30, 1996, the Partnership has classified the Remaining Property as property held for sale.

For information regarding the indebtedness to which the Remaining Property is subject, see Notes 3 and 6 to the Financial Statements as contained in Item 8 of this report.

On February 29, 1996, the Partnership sold the land, related improvements and personal property of La Risa Apartments ("La Risa") as described in more detail in Management's Discussion and Analysis of Financial Condition and Results of Operations as contained in Item 7 of this report and Note 2 to the Financial Statements as contained in Item 8 of this report.

Average and weighted average occupancies and weighted average effective rental rates generated by the Properties in fiscal 1996, 1995, and 1994 were as follows:

Apartments	1st Qtr 1996	2nd Qtr 1996	3rd Qtr 1996	4th Qtr 1996	Fiscal 1996	Fiscal 1995	Fiscal 1994
La Risa	93%	92%	N/A	N/A	93%(3)	94%	96%
Los Compadres	N/A	N/A	N/A	N/A	N/A	N/A	97%(3)
La Paz	N/A	N/A	N/A	N/A	N/A	N/A	96%(3)
Maryland Villa	N/A	N/A	N/A	N/A	N/A	N/A	96%(3)
Weighted average occupancy	93%	92%	N/A	N/A	93%(3)	94%	95%(3)
Weighted average effective rental rate per unit per month	$425	$424	N/A	N/A	$425(3)	$436	$500(3)
Commercial							
Venetian Square Shopping Center							
Weighted average occupancy	91%	90%	87%	84%	88%	91%	95%
Average effective rental rate(1)	$8.12	$7.96	$7.76	$8.10	$7.99	$8.54	$8.57
SouthCenter Plaza							
Weighted average occupancy	N/A	N/A	N/A	N/A	N/A	N/A	37%(4)
Average effective rental rate(2)	N/A	N/A	N/A	N/A	N/A	N/A	$12.16(4)

(1) These rates are "triple net". In addition to this base rent, tenants pay their pro rata share of taxes, insurance and common area maintenance expenses at the property.

(2) These rates are "full service". In addition to this base rent, tenants pay only their pro rata share of taxes, insurance and common area maintenance expenses at the property in excess of the expenses incurred at the property during the tenant's initial year of occupancy.

(3) These computations give effect to the sale of the Arizona Properties on June 6, 1994 and the sale of La Risa Apartments on February 29, 1996.

(4) Averages computed through date of foreclosure.

Item 3. LEGAL PROCEEDINGS

The Partnership is not a party to, nor is the Remaining Property the subject of, any material pending legal proceedings.

Item 4. SUBMISSION OF MATTERS TO A VOTE OF HOLDERS OF LIMITED PARTNERSHIP INTERESTS

There have been no matters submitted to a vote of holders of Limited Partnership. Interests (the "Units") during the fiscal year which is covered by this report.

PART II

Item 5. MARKET FOR THE REGISTRANT'S LIMITED PARTNERSHIP INTERESTS AND RELATED LIMITED PARTNER MATTERS

At September 30, 1996, 22,000 Units were outstanding and held by approximately 2,070 limited partners.

The Units have limited transferability. There is no public market for the Units and it is not expected that any will develop. There are significant restrictions relating to the transferability of Units, including the requirement that the Managing General Partner consent to any transfer and to any transferee becoming a substituted limited partner, which consent may be granted or withheld at the sole discretion of the Managing General Partner. In addition, restrictions on transfers may be imposed by federal and state securities laws.

On March 21, 1996, a distribution of $999,900 ($45.45/Unit) was made to limited partners from the net proceeds of the sale of the La Risa Apartments. The Managing General Partner intends to apply cash flow generated from Partnership operations in fiscal 1997, if any, to maintain the Partnership's minimum required cash reserves, as necessary, including any additional reserves to cover potential remediation costs. Thereafter, the Partnership intends to pay amounts owed to the Managing General Partner and make a final distribution to the limited partners.

The Managing General Partner is attempting to sell the Partnership's remaining real estate investment in fiscal 1997. However, there can be no assurances that the Partnership will sell the Remaining Property in 1997. The Managing General Partner believes that this sale will provide net proceeds to the Partnership after the payment of sales costs, closing costs and mortgages payable; however, the sale transaction may include both cash at closing and deferred payments to the Partnership. The ability of the Partnership to sell Venetian Square Shopping Center ("Venetian") may be adversely affected by the potential remediation costs of the petroleum contamination at the property. The Partnership intends to apply net sales proceeds to pay all remaining liabilities identified by the Managing General Partner arising out of or in connection with the operations of the Partnership and the sale of Venetian, including amounts owed to the Managing General Partner. Thereafter, all remaining cash reserves of the Partnership will be utilized to first pay the costs of liquidation and dissolution of the Partnership, and then to make a final distribution to limited partners.

Item 6. SELECTED FINANCIAL DATA

BOETTCHER WESTERN PROPERTIES III LTD.
SELECTED FINANCIAL DATA(a)

As of or for the year ended September 30,

<TABLE>
<CAPTION>

	1996	1995	1994	1993	1992
<S>	<C>	<C>	<C>	<C>	<C>
Total revenue	$1,631,685	$2,508,536	$4,521,349	$ 5,191,770	$5,446,898
Operating loss(c)	(85,603)	(146,895)	(492,317)	(1,391,737)	(1,156,958)
Gain (loss) on sale or disposition of real estate investments	1,329,705	-0-	1,441,887	(154,921)	-0-
Net earnings (loss)	$1,244,102	$ (146,895)	$ 949,570	$ (1,546,658)	$(1,156,958)
Per Unit:(b)					
Earnings (loss)	$ 55.98	$ (6.61)	$ 42.73	$ (69.60)	$ (52.06)
Cash distribution	45.45	-0-	125.00	-0-	-0-
Total assets	$6,910,619	$11,665,669	$11,895,397	$25,694,558	$26,406,983
Mortgages payable	$3,303,685	$ 7,153,781	$ 7,339,842	$18,075,625	$18,135,094

</TABLE>

(a) The above selected financial data should be read in conjunction with the Financial Statements and related Notes as contained in Item 8 of this report.

(b) Per Unit data is based upon the 22,000 weighted average Units outstanding during each fiscal year.

(c) The Partnership is evaluating the remediation of petroleum contaminated soil and groundwater on a parcel of land adjacent to and part of the Venetian Square Shopping Center. The contamination resulted from a leaking underground storage tank which was part of a card-lock fueling station operated at Venetian Square Shopping Center from 1979 through 1990. The Partnership has spent approximately $300,000 to date in connection with the remediation program and since fiscal 1993 has maintained an accrual of approximately $250,000 as a provision for possible additional remediation expenses. Amounts expended to date have been for the evaluation and monitoring of the contamination in order to determine the method, cost and timing of required soil and groundwater remediation measures to be implemented in the future. Management is unable at this time to estimate the amount of additional remediation expense that may be incurred. Due to groundwater contamination, the Partnership may incur significant additional remediation costs. Accordingly, the Financial Statements contained in Item 8 of this report do not include any further adjustments that reflect the results of the ultimate resolution of this uncertainty. For additional information, refer to Note 7 to the Financial Statements contained in Item 8 of this report.

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Results of Operations

September 30, 1996 marked the close of the Partnership's thirteenth year of operations. The Partnership currently owns and operates one shopping center located in California (Venetian Square Shopping Center), which is being held for sale as of September 30, 1996.

For the fiscal year ended September 30, 1996, the Partnership generated total revenue of $1,631,685, and incurred total expenses of $1,717,288, resulting in an operating loss of $85,603. The Partnership's fiscal 1996 operating loss decreased $61,292 (42%) when compared with fiscal 1995. A gain on the sale of real estate investment LaRisa Apartments, ("LaRisa") in the amount $1,329,705, was recorded in the second quarter of fiscal 1996 as more fully discussed in Note 2 to the Financial Statements as contained in Item 8 of this report. Due to the gain on sale of real estate investments, the Partnership generated net earnings of $1,244,102. Total revenue decreased, primarily rental and other income, and total expenses decreased in all categories, primarily due to the sale of LaRisa. A summary of the Partnership's operations and period-to-period comparisons is presented below.

When making period-to-period comparisons, the exclusion of LaRisa's operations from the current and prior fiscal year's results allows for a more meaningful analysis of the operations of the Partnership's remaining investment. For comparison purposes only, LaRisa's results of operations have been excluded in both fiscal 1996 and 1995 in the table below.

<TABLE>
<CAPTION>

	September 30 (In Thousands)			
	Pro Forma 1996	Pro Forma 1995	Amount of Change	% Change
<S>	<C>	<C>	<C>	<C>
Total revenue	$1,111	1,218	(107)	(9%)
Total expenses	1,179	1,324	145	11%
Operating loss	$ (68)	(106)	38	

</TABLE>

Based upon the pro forma amounts presented above, total revenue generated by the Partnership, excluding LaRisa, amounted to $1,110,096, representing a decrease of $107,929 (9%) compared with fiscal 1995. The Partnership's remaining property generated rental income of $823,790 in fiscal 1996, which represents a decrease of $86,809 (10%) when compared with fiscal 1995. Venetian Square Shopping Center achieved an average occupancy of 88% and an average effective rental rate per square foot of $7.99, representing decreases of 3% and $.55, respectively, when compared with fiscal 1995. For additional information on the average occupancies and average effective rental rates for the Partnership's Properties, refer to the table provided in Item 2 of this report. Tenant reimbursement income generated by Venetian Square Shopping Center decreased $41,459 (15%) in fiscal 1996 when compared with fiscal 1995 due to increased

vacancies in the current fiscal year. Other income increased $20,339 (56%) in fiscal 1996 when compared with fiscal 1995 primarily as a result of increased interest earned by the Partnership due to the maintenance of larger cash reserve balances.

Based upon the pro forma amounts provided above, total expenses, excluding LaRisa incurred by the Partnership amounted to $1,179,189 in fiscal 1996, a decrease of $144,983 (11%) when compared with fiscal 1995. The largest component of this decrease is the $55,540 decrease in environmental expense associated with the remediation of petroleum contamination at Venetian Square Shopping Center as more fully discussed below and in Note 7 to the Financial Statements contained in Item 8 of this report. Property tax expense decreased $22,211 (22%) in fiscal 1996 primarily the result of a successful appeal related to the property's assessed value and subsequent reduction in property tax assessments at Venetian. Fees and reimbursements to the Managing General Partner decreased $53,363 (29%) in fiscal 1996 when compared with fiscal 1995. This decrease is the result of the elimination of the accrual of deferred acquisition fees related to LaRisa beginning February 29, 1996. Repairs and maintenance decreased $11,644 (9%) in fiscal 1996. This decrease is primarily the result of underground water leak repairs and parking lot repairs done in fiscal 1995 at Venetian Square Shopping Center. Other administrative expense increased $15,862 (10%) in fiscal 1996 when compared to fiscal 1995, primarily the result of the write off of approximately $20,000 of past due rents deemed uncollectible.

1995 as compared to 1994:

For the fiscal year ended September 30, 1995, the Partnership generated total revenue of $2,508,536, and incurred total expenses of $2,655,431, resulting in an operating loss of $146,895. The Partnership's fiscal 1995 operating loss decreased $345,422 (70%) when compared with fiscal 1994. Due to the gain on sale of Los Compadres, La Paz and Maryland Villa Apartments (the "Arizona Properties"), the Partnership generated net earnings of $949,570 in fiscal 1994. Total revenue decreased, primarily rental and other income, and total expenses decreased in all categories, primarily due to the sale of the Arizona Properties. A summary of the Partnership's operations and period-to-period comparisons is presented below.

When making period-to-period comparisons, the exclusion of the Arizona Properties and SouthCenter Plaza's operations from the prior fiscal year's results allows for a more meaningful analysis of the operations of the Partnership's remaining investments. For comparison purposes only, the Arizona Properties and SouthCenter Plaza's results of operations have been excluded from fiscal 1994 results of operations in the table below.

<TABLE>
<CAPTION>

	Actual 1995	Pro Forma 1994	Amount of Change	% Change
	<S>	<C>	<C>	<C>
Total revenue	$2,509	2,493	16	1%
Total expenses	2,656	2,814	(158)	(6)%
Operating loss	$(147)	(321)	174	

</TABLE>

Based upon the actual and pro forma amounts presented above, total revenue generated by the Partnership, excluding the Arizona Properties and SouthCenter Plaza, amounted to $2,508,536 in fiscal 1995, representing an increase of $15,761 (1%) compared with fiscal 1994. The Partnership's properties generated rental income of $2,145,948 in fiscal 1995, which represents a decrease of $8,055 when compared with fiscal 1994. La Risa Apartments achieved a weighted average occupancy of 94% and a weighted average effective rental rate per unit per month of $436, representing a decrease of 2% and an increase of $11, respectively, when compared with fiscal 1994. Rental income from Venetian Square Shopping Center decreased $37,803 (4%) in fiscal 1995 when compared with fiscal 1994. At Venetian Square Shopping Center, average occupancy decreased 4% in fiscal 1995 and the average effective rental rate decreased $.03 when compared with fiscal 1994. For additional information on the average occupancies and average effective rental rates for the Partnership's Properties, refer to the table provided in Item 2 as contained in this report. Other income increased $19,220 (27%) in fiscal 1995 when compared with fiscal 1994, primarily the result of increased interest earned by the Partnership.

Based upon the actual and pro forma amounts provided above, total expenses, incurred by the Partnership amounted to $2,655,431 in fiscal 1995, a decrease of $158,270 (6%) when compared with fiscal 1994. The largest component of this decrease is the $113,308 (38%) decrease in fees and reimbursements to the managing general partner in fiscal 1995 when compared with fiscal 1994. This decrease is primarily the result of the elimination of the accrual of deferred acquisition fees related to the Arizona Properties in June 1994. Property tax expense decreased $15,296 (6%) in fiscal 1995 when compared to fiscal 1994, primarily due to lower taxes assessed in 1995 on La Risa Apartments. Repairs and maintenance expense decreased $21,003 (7%) in fiscal 1995 when compared to fiscal 1994 mainly due to roof and parking lot repairs completed at Venetian Square Shopping Center in fiscal 1994. Environmental expense was $72,136 for fiscal 1995, an increase of $24,405 (51%) over fiscal 1994, representing costs associated with the continued evaluation of the soil and groundwater remediation at Venetian Square Shopping Center.

Liquidity and Capital Resources

Combined cash and cash equivalent balances, which represent Partnership reserves, were $1,240,077 at September 30, 1996, representing an increase of $403,937 when compared with fiscal 1995 year-end balances. Net cash used by operating activities in fiscal 1996 amounted to $616,410. The most significant change in assets and liabilities in fiscal 1996 relates to a decrease in payable to managing general partner relating to operations of $914,384. This decrease represents the payment of past due fees and reimbursements to the Managing General Partner in fiscal 1996. At September 30, 1996 the payable to managing general partner totaled $602,323. Other significant changes in assets and liabilities included accounts receivable and other assets, property taxes payable, interest payable, tenant security deposits and accounts payable and accrued expenses, all of which decreased as a result of the payment of all liabilities related to LaRisa.

Net cash provided by investing activities in fiscal 1996 amounted to $5,880,938 primarily the result of proceeds from the sale of LaRisa in the amount of $6,053,468 reduced by additions to real estate investments of $113,257 and deferred leasing costs of $59,273. The Partnership's fiscal 1996 deferred leasing costs include costs related to tenant finish

and lease commissions associated with new tenants and the renewal of existing tenants at Venetian Square Shopping Center.

Net cash used by financing activities amounted to $4,860,591 in fiscal 1996, primarily comprised of reductions in mortgage principal of $3,852,733 and a distribution to limited partners of $999,900. The reduction in mortgage principal is primarily the payoff of the loan balance secured by LaRisa. The distribution of $999,900 ($45.45/unit) was made to limited partners in the second quarter of fiscal 1996.

The Partnership is required under its Partnership Agreement to maintain cash reserves of not less than 3% of aggregate capital contributions (or $660,000) for normal repairs, replacements, working capital and other contingencies. As of September 30, 1996, the Partnership had $1,240,077 in cash reserves. The Partnership intends to apply cash flow generated from Partnership operations in fiscal 1997, if any, to maintain minimum required cash reserves, including any additional reserves deemed necessary by the Managing General Partner to cover potential remediation costs of the petroleum contamination at Venetian Square Shopping Center as discussed below. Thereafter, the Partnership intends to pay the Managing General Partner all unpaid cash advances made to the Partnership, all unpaid administrative reimbursements, all unpaid property management fees and all deferred fees earned by the Managing General Partner, which total $22,961, $8,640, $1,228 and $569,494 respectively, as of September 30, 1996.

To the knowledge of the Managing General Partner, the Remaining Property is in good physical condition. In fiscal 1997, other than tenant finish costs associated with ongoing additional leasing efforts at Venetian Square Shopping Center, there are no other material expenditures planned at the Partnership's Remaining Property in fiscal 1997.

The Managing General Partner is attempting to sell the Partnership's remaining real estate investment in fiscal 1997. However, there can be no assurances that the Partnership will sell the Remaining Property in 1997. The Partnership has entered into a listing agreement with an unrelated real estate brokerage firm to act as exclusive selling agent for the Remaining Property. The Managing General Partner believes that this sale will provide net proceeds to the Partnership after the payment of sales costs, closing costs and mortgages payable; however, this sales transaction may include both cash at closing and deferred payments to the Partnership. The ability of the Partnership to sell Venetian Square Shopping Center may be adversely affected by the potential remediation costs of the petroleum contamination at the property. The Partnership intends to apply net sales proceeds to pay all remaining liabilities identified by the Managing General Partner arising out of or in connection with the operations of the Partnership and the sale of Venetian, including amounts owed to the Managing General Partner. Thereafter, all remaining cash reserves of the Partnership will be utilized to first pay the costs of liquidation and dissolution of the Partnership and then to make a final distribution to limited partners.

On February 29, 1996 the Partnership sold the land, related improvements and personal property of LaRisa Apartments ("LaRisa"). The purchaser, ALT Affordable Housing Service, Inc. is not affiliated with the Partnership, its Managing General Partner or any affiliate, director, officer or associate of the foregoing, and the sales price was determined by arm's length negotiations.

The net proceeds to the Partnership, before proration of operating income and expenses related to the property, were as follows:

<TABLE>

<S>		<C>
Sales Price		$6,440,000
Less:		
Costs of sale:		
Sales commissions	(223,453)	
Closing costs (title fees, legal and other)	(74,400)	
Tenant security deposit liability	(33,040)	
Mortgage payoff	(3,692,414)	(4,023,307)
Net Proceeds		$ 2,416,693
The net proceeds were utilized as follows:		
Distribution to limited partners ($45.45/unit)		$ 999,900
Partial repayment of cash advances, reimbursement and deferred fees to the Managing General Partner		1,000,000
Addition to Partnership cash reserves		416,793
		$ 2,416,693

</TABLE>

The Partnership recorded a net gain on sale of real estate investment of $1,329,705 related to this transaction, resulting from the excess of the net sales proceeds over the Partnership's net carrying value of La Risa.

In October 1995, the Partnership entered into an agreement with Great West Life Assurance Company (Great West) to extend the maturity date of the first mortgage payable secured by Venetian Square Shopping Center to October 1, 1997. Under the agreement, the Partnership paid an extension fee of $20,000. The interest rate on the loan was increased from 9 1/2% to 10 1/2% and the monthly principal and interest payment was increased from $37,683 to $39,098.

The Partnership is evaluating the remediation of petroleum contaminated soil and groundwater on a parcel of land adjacent to and part of the Venetian Square Shopping Center. The contamination resulted from a leaking underground storage tank which was part of a card-lock fueling station operated on the site. The Partnership has been advised that groundwater contamination has also occurred and the Partnership is in the process of determining the method, cost and timing of required soil and groundwater remediation measures. The Partnership has spent approximately $300,000 to date in connection with the remediation program and since fiscal 1993 has maintained an accrual of approximately $250,000 as a provision for possible additional remediation expenses. Management is unable at this time to estimate the extent of additional expenses that may be incurred. Due to groundwater contamination, the Partnership may incur significant additional remediation costs. Accordingly, the Financial Statements contained in Item 8 of this report do not include any further adjustments that reflect the results of the ultimate resolution of this uncertainty. See Note 7 to the Financial Statements contained in Item 8 of this report for a more detailed discussion of this situation.

Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

<TABLE>

<S>	<C>
The following Financial Statements of the Partnership are included herein:	

</TABLE>

INDEPENDENT AUDITORS' REPORT

THE PARTNERS
BOETTCHER WESTERN PROPERTIES III LTD.:

We have audited the accompanying balance sheets of Boettcher Western Properties III Ltd. (a limited partnership) as of September 30, 1996 and 1995, and the related statements of operations, partners' capital (deficit), and cash flows for each of the years in the three-year period ended September 30, 1996. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Boettcher Western Properties III Ltd. as of September 30, 1996 and 1995, and the results of its operations and its cash flows for each of the years in the three-year period ended September 30, 1996, in conformity with generally accepted accounting principles.

KPMG PEAT MARWICK LLP

Denver, Colorado
December 16, 1996

BOETTCHER WESTERN PROPERTIES III LTD.
(A Limited Partnership)

Balance Sheets
September 30, 1996 and 1995

<TABLE>
<CAPTION>

Assets	1996	1995
<S>	<C>	<C>
Real estate investments, at gross cost		
Properties held for sale	$8,771,101	$16,346,743
Less discount on related debt	(778,407)	(1,192,518)
	7,992,694	15,154,225
Less accumulated depreciation	(2,599,948)	(4,833,753)
	5,392,746	10,320,472
Cash and cash equivalents at cost, which approximates market value	1,240,077	836,140
Accounts receivable and other assets	90,146	187,545
Property tax and other escrow deposits	-	111,511
Debt issuance costs, net of accumulated amortization of $33,446 and $154,874, respectively	13,637	35,647
Deferred leasing costs, net of accumulated amortization of $464,022 and $427,988, respectively	174,013	174,354
	$ 6,910,619	$11,665,669
Liabilities and Partners' Capital		
Mortgages payable, net of unamortized debt discount of $4,525 and $7,162, respectively	$ 3,303,685	$ 7,153,781
Payable to managing general partner	602,323	1,527,391
Accounts payable and accrued expenses	296,557	322,420
Property taxes payable	21,238	140,902
Tenants' deposits	39,339	70,533
Unearned rental income	5,556	19,728
Accrued interest payable	490	33,685
Total liabilities	4,269,188	9,268,440
Commitments and contingencies		
Partners' capital (deficit):		
General partners	(113,869)	(126,310)
Limited partners	2,755,300	2,523,539
Total partners' capital	2,641,431	2,397,229
	$ 6,910,619	$11,665,669

</TABLE>

See accompanying notes to financial statements.

BOETTCHER WESTERN PROPERTIES III LTD.
(A Limited Partnership)
Statements of Operations
Years ended September 30, 1996, 1995 and 1994

<TABLE>
<CAPTION>

<S>	1996 <C>	1995	1994 <C>
Revenue:			
Rental income	$1,323,274	$2,145,948	$4,086,966
Tenant reimbursements for common area charges, insurance and taxes	229,628	271,087	266,507
Other income	78,783	91,501	167,876
	1,631,685	2,508,536	4,521,349
Expenses:			
Interest, including amortization of debt discount and debt issuance costs	526,180	807,298	1,573,953
Depreciation	317,221	451,174	743,200
Property taxes	143,570	255,633	405,541
Fees and reimbursements to managing general partner	133,530	186,893	300,201
Other management fees	72,928	108,667	186,873
Salaries of on-site property managers	62,888	156,975	325,533
Repairs and maintenance	170,148	260,913	544,863
Utilities	71,245	121,150	487,701
Other administrative	202,982	234,592	398,069
Environmental costs	16,596	72,136	47,732
	1,717,288	2,655,431	5,013,666
Operating loss	(85,603)	(146,895)	(492,317)
Gain on sale of real estate investments	1,329,705	-	1,441,887
Net earnings (loss)	$1,244,102	$(146,895)	$949,570
Net earnings (loss) per limited partnership unit	$55.98	$(6.61)	$42.73
Weighted average number of limited partnership units outstanding	22,000	22,000	22,000

</TABLE>

See accompanying notes to financial statements.

BOETTCHER WESTERN PROPERTIES III LTD.
(A Limited Partnership)

Statements of Partners' Capital (Deficit)
Years ended September 30, 1996, 1995 and 1994

<TABLE>
<CAPTION>

<S>	General partners <C>	Limited partners <C>	Total Partners' capital <C>
Capital (deficit) at October 1, 1993	$(134,337)	$4,478,891	$4,344,554
Distribution to limited partners	-	(2,750,000)	(2,750,000)
Net earnings	9,496	940,074	949,570
Capital (deficit) at September 30, 1994	(124,841)	2,668,965	2,544,124
Net loss	(1,469)	(145,426)	(146,895)
Capital (deficit) at September 30, 1995	(126,310)	2,523,539	2,397,229
Distribution to limited partners	-	(999,900)	(999,900)
Net earnings	12,441	1,231,661	1,244,102
Capital (deficit) at September 30, 1996	$(113,869)	$ 2,755,300	$ 2,641,431

</TABLE>

See accompanying notes to financial statements.

BOETTCHER WESTERN PROPERTIES III LTD.
(A Limited Partnership)

Statements of Cash Flows
Years ended September 30, 1996, 1995 and 1994

<TABLE>
<CAPTION>

<S>	1996 <C>	1995 <C>	1994 <C>
Cash flows from operating activities:			
Net earnings (loss)	$ 1,244,102	$(146,895)	$ 949,570
Adjustments to reconcile net earnings (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization	398,755	566,109	1,011,424
Gain on sale of real estate investments	(1,329,705)	-	(1,441,887)
Change in operating assets and liabilities:			
(Increase) decrease in accounts receivable and other assets	97,399	42,186	(26,670)
(Increase) decrease in property tax and other escrow deposits	111,511	(23,193)	(2,513)

Increase (decrease) in payable to managing general partner relating to operations	(914,384)	92,977	(618,152)
Decrease in accounts payable and accrued expenses	(25,863)	(13,307)	(135,110)
Decrease in property taxes payable	(119,664)	(344)	(74,205)
Decrease in tenants' deposits	(31,194)	(7,177)	(36,041)
Decrease in unearned rental income	(14,172)	(2,949)	(23,025)
Decrease in accrued interest payable	(33,195)	(157)	(488)
Net cash provided (used) by operating activities	(616,410)	507,250	(397,097)
Cash flows from investing activities:			
Additions to real estate investments	(113,257)	(113,549)	(196,960)
Deferred leasing costs	(59,273)	(12,724)	(167,729)
Net proceeds from sale of real estate investments	6,053,468	-	11,658,327
Cash loss relating to foreclosing of SouthCenter Plaza	-	-	(11,674)
Net cash provided (used) by investing activities	5,880,938	(126,273)	11,281,964
Cash flows from financing activities:			
Advances from (payments to) managing general partner	(10,684)	33,645	(30,900)
Payments of mortgage principal	(3,852,733)	(194,912)	(7,762,052)
(Increase) decrease in debt issuance costs	2,726	(78,398)	(128,594)
Distributions to limited partners	(999,900)	-	(2,750,000)
Net cash provided (used) by financing activities	(4,860,591)	(239,665)	(10,671,546)
Net increase in cash and equivalents	403,937	141,312	213,321
Cash and cash equivalents at beginning of year	836,140	694,828	481,507
Cash and cash equivalents at end of year	$ 1,240,077	$ 836,140	$ 694,828
Supplemental disclosure of cash flow information:			
Interest paid in cash during the year	$ 537,454	$ 736,630	$ 1,349,719

</TABLE>

See accompanying notes to financial statements.

BOETTCHER WESTERN PROPERTIES III LTD.
(A Limited Partnership)

Notes to Financial Statements
September 30, 1996, 1995 and 1994

(1) Significant Accounting Principles

Organization and Allocation of Income and Losses
Boettcher Western Properties III Ltd. (the Partnership) is a limited partnership formed on March 18, 1983 for the purpose of investing in improved and unimproved real property. Limited Partnership Interests (Units) were sold through a public offering and currently 22,000 Units at $1,000 per Unit are outstanding.

The managing general partner of the Partnership is Boettcher Properties, Ltd. (BPL), and the associate general partner is Boettcher 1983 Associates, Ltd.

The Partnership Agreement provides for the net operating income of the Partnership to be allocated as follows: (i) to the limited partners to the extent necessary to satisfy the 8% Current Distribution Preference, as defined (an amount equal to 8% of the daily average aggregate adjusted capital contributions of the limited partners) and (ii) 1% of the remainder to the General Partners and 99% to the limited partners. Net operating losses are allocated 1% to the General Partners and 99% to the limited partners.

The Partnership Agreement provides for net capital income from the sale or other disposition of Partnership properties to be allocated on a cumulative basis as follows: (i) 1% to the General Partner and 99% to the limited partners to the extent of depreciation deductions taken from the inception of the Partnership, (ii) to the limited partners to the extent necessary to satisfy the Net Proceeds Distribution Preference, as defined (an amount equal to the sum of limited partner capital contributions not yet returned and any unsatisfied 8% current Distribution Preference from prior periods) and (iii) 25% of the remainder to the General Partners and 75% to the limited partners. Net capital loss is allocated 1% to the General Partners and 99% to the limited partners.

Environmental Remediation Liabilities
Liabilities for loss contingencies, including environmental remediation costs, arising from claims, assessments, litigation, fines and penalties, and other sources are recorded when it is probable that a liability has been incurred and the amount of the assessment and/or remediation can be reasonably estimated. The costs of site clean-up are recorded in the amount of the cash payments made or for future estimated costs for that site when fixed or reliably determinable based upon information derived from the remediation plan for that site. Recoveries from third parties which are probable of realization are separately recorded, and are not offset against the related environmental liability.

In October 1996, the American Institute of Certified Public Accountants issued Statement of Position ("SOP") 96-1, Environmental Remediation Liabilities. SOP 96-1 will be adopted by the Partnership during fiscal 1997 and will require, among other things, environmental remediation liabilities to be accrued when the criteria of SFAS No. 5, Accounting for Contingencies, have been met. The SOP also provides guidance with

BOETTCHER WESTERN PROPERTIES III LTD.
(A Limited Partnership)

Notes to Financial Statements
September 30, 1996, 1995 and 1994

respect to the measurement of the remediation liabilities. Such accounting is consistent with the Partnership's current method of accounting for environmental remediation costs and therefore, adoption of this new Statement will not have a material impact on the Partnership's financial position, results of operations, or liquidity.

Deferred Leasing Costs
Costs associated with the leasing of the Partnership's shopping center are deferred and amortized over the life of the related leases. These costs are comprised of lease commissions and construction costs related to the buildout of tenant space.

Financial Instruments
The fair value of the Partnership's financial instruments approximate their carrying values due to the short maturities of those instruments or due to the interest rates of those instruments approximating interest rates for similar issues.

Income Taxes
No provision has been made for federal income taxes, as the taxable income (loss) is reported by the partners rather than the Partnership. The Partnership reports certain transactions differently for tax and financial statement purposes, primarily depreciation and debt discount.

A reconciliation of net earnings (loss) per the accompanying financial statements and Partnership's tax return is shown in the table below. Results of operations for the year ended September 30, 1996 as shown in the financial statements is actual. However, the Partnership's tax return for December 31, 1996 has not been prepared; therefore, the reconciling items for 1996 are estimates by management.

<TABLE>
<CAPTION>

	1996	1995	1994

		(unaudited)	
<S>	<C>		
Net earnings (loss) per financial statements	$1,244,102	$(146,895)	$ 949,570
Fiscal to calendar year net difference	96,949	6,343	143,901
Tax depreciation in excess of depreciation for financial statement purposes	(225,000)	(288,639)	(655,164)
Debt discount amortization not deducted for tax purposes	3,000	2,594	64,851
Rental revenue reported in different years for tax and financial statement purposes	(2,000)	14,573	(2,520)
Environmental costs not deducted for tax purposes	-0-	-0-	(11,030)
Difference in net gain on sale of real estate investments for tax and financial statements	2,000,000	1,233,006	3,370,263
Net earnings (loss) for income tax purposes	$3,117,051	$ 820,982	3,859,871

</TABLE>

BOETTCHER WESTERN PROPERTIES III LTD.
(A Limited Partnership)

Notes to Financial Statements
September 30, 1996, 1995 and 1994

Real Estate Investments
Properties held for sale are recorded at the lower of cost or fair value based upon independent appraised values less estimated selling costs.

Buildings and improvements are depreciated using the straight-line method over an estimated useful life of 30 years. Equipment and furnishings are depreciated using the straight-line method over an estimated useful life of 5 years. Renewals and betterment's are capitalized, and repairs and maintenance are charged to operations as incurred.

Cash and Cash Equivalents
For purposes of the Statement of Cash Flows, cash and cash equivalents include highly liquid debt instruments purchased with an original maturity of three months or less. Cash and cash equivalents are comprised of the following as of September 30:

<TABLE>
<CAPTION>

	1996	1995
<S>	<C>	<C>
Money market fund	$1,120,644	$721,050
Operating cash	119,433	115,090
Cash and cash equivalents	$1,240,077	$836,140

</TABLE>

Debt Issuance Costs and Debt Discount
Costs incurred in arranging financing, such as loan origination fees, commitment fees and extension fees, are deferred and amortized using the level-interest-yield method over the term of the related debt or the extension period.

Debt discount is amortized to interest expense using the level-interest-yield method over the term of the related debt.

Use of Estimates
Management of the Partnership has made a number of estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare these financial statements in conformity with generally accepted accounting principles. Actual results could differ from those estimates.

Reclassification
Certain prior year amounts have been reclassified to conform with fiscal 1996 financial statement presentation.

(2) Real Estate Investments

Mortgages assumed in connection with the acquisition of the Partnership's properties were discounted using an equivalent market rate of interest as of the date of acquisition. For financial statement purposes, the resulting discount is deducted from the original cost basis

BOETTCHER WESTERN PROPERTIES III LTD.
(A Limited Partnership)

Notes to Financial Statements
September 30, 1996, 1995 and 1994

of the related real estate investment property, thereby resulting in a reduction of depreciation expense over the life of the assets.

As of September 30, 1996, the fair value of the Partnership's properties held for sale exceeds cost, based upon independent appraised values or preliminary offers to purchase the properties less estimated selling costs.

The cost of the Partnership's real estate investments and related accumulated depreciation, debt discount and allowance for loss are as follows:

September 30, 1996

<TABLE>
<CAPTION>

Property held for sale	Land and improvements	Buildings and improvements	Total
<S>	<C>	<C>	<C>
Venetian Square	$1,802,853	$6,968,248	$ 8,771,101
Less discount on related debt	(167,901)	(610,506)	(778,407)
	1,634,952	6,357,742	7,992,694
Less accumulated depreciation	(43,591)	(2,556,357)	(2,599,948)
	$1,591,361	$ 3,801,385	$ 5,392,746

</TABLE>

September 30, 1995

<TABLE>
<CAPTION>

	Land and improvements	Buildings and improvements	Equipment and furnishings	Total	Less discount on related debt	Property balance, net of discount
<S>	<C>	<C>	<C>	<C>	<C>	<C>
La Risa Apts	$1,620,095	5,277,131	761,940	7,659,166	(414,111)	7,245,055
Venetian Square	1,802,853	6,884,724	-	8,687,577	(778,407)	7,909,170
	3,422,948	12,161,855	761,940	16,346,743	(1,192,518)	15,154,225
Less discount on related debt	(266,170)	(915,373)	(10,975)	(1,192,518)		
	3,156,778	11,246,482	750,965	15,154,225		
Less accumulated depreciation	(42,470)	(4,277,520)	(513,763)	(4,833,753)		
	$3,114,308	6,968,962	237,202	10,320,472		

</TABLE>

Sale of Real Estate Investment
On February 29, 1996 the Partnership sold the land, related improvements and personal property of La Risa Apartments ("La Risa"). The purchaser, ALT Affordable Housing Service, Inc. is not affiliated with the Partnership, its Managing General Partner or any affiliate, director, officer or associate of the foregoing, and the sales price was determined by arm's length negotiations.

The net proceeds to the Partnership, before proration of operating income and expenses related to the property, were as follows:

BOETTCHER WESTERN PROPERTIES III LTD.
(A Limited Partnership)

Notes to Financial Statements
September 30, 1996, 1995 and 1994

Sales Price		$ 6,440,000
Less:		
Costs of sale:		
Sales commissions	(223,453)	
Closing costs (title fees, legal and other)	(74,400)	
Tenant security deposit liability	(33,040)	
Mortgage payoff	(3,692,414)	(4,023,307)
Net Proceeds		$ 2,416,693

The net proceeds were utilized as follows:

Distribution to limited partners ($45.45/unit)	$ 999,900
Partial repayment of cash advances, reimbursement and deferred fees to the Managing General Partner	1,000,000
Addition to Partnership cash reserves	416,793
	$ 2,416,693

The Partnership recorded a net gain on sale of real estate investment of $1,329,705 related to this transaction, resulting from the excess of the net sales proceeds over the Partnership's net carrying value of La Risa.

BOETTCHER WESTERN PROPERTIES III LTD.
(A Limited Partnership)

Notes to Financial Statements
September 30, 1996, 1995 and 1994

(3) Mortgages Payable

Mortgages payable at September 30 are secured by real estate investment properties and are comprised of the following:

1996:

Property	Principal	Unamortized debt discount	Balance net of discount	Interest rate	Monthly payment	Due date
Venetian Square						
First	$3,285,221	-	3,285,221	10.50%	39,098	10/97 (e)
Second	22,989	(4,525)	18,464	6.75% (c)	1,062 (d)	4/98
	$3,308,210	(4,525)	3,303,685			

1995:

Property	Principal	Unamortized debt discount	Balance net of discount	Interest rate	Monthly payment	Due date
<S>	<C>	<C>	<C>	<C>	<C>	<C>
LaRisa	$3,682,141	-	3,682,141	10.625%	35,698	1/96 (b)
Venetian Square						
First	3,445,069	-	3,445,069	10.50%	39,098	10/97 (e)
Second	33,733	(7,162) (a)	26,571	6.75% (c)	1,144 (d)	4/98
	$7,160,943	(7,162)	7,153,781			

</TABLE>

All mortgages payable are secured solely by the respective properties and are nonrecourse to the Partnership.

(a) Discount was based on market interest rate at the time of purchase of 12.5%.
(b) The Partnership extended the mortgage payable to January 1, 1996. See note 6 for additional information.
(c) Average rate of bond issue.
(d) Paid semiannually in April and December.
(e) The Partnership extended the mortgage payable to October 1, 1997. See note 6 for additional information.

The fair value of the mortgages attributable to the Partnership is estimated to be approximated by its carrying value.

BOETTCHER WESTERN PROPERTIES III LTD.
(A Limited Partnership)

Notes to Financial Statements
September 30, 1996, 1995 and 1994

Aggregate maturities of principal payments for the five fiscal years ending September 30, 2001 and thereafter are as follows:

1997	$ 171,173
1998	3,137,037
1999	-
2000	-
2001	-
Thereafter	-
	$3,308,210

For additional discussion of the Partnership's mortgages payable refer to note 6.

(4) Transactions with Related Parties

BPL is the Managing Agent of the Partnership and is paid an annual fee for its services. The annual fee is comprised of a property management fee and a deferred acquisition fee. The property management fee is equal to 5% of gross receipts from the Properties, less management fees paid to others. The property management fee earned by BPL amounted to $6,255, $15,734 and $38,635 for the years ended September 30, 1996, 1995, and 1994, respectively. The deferred acquisition fee is an annual fee equal to the sum of 2% of average daily invested capital plus 1/2 of 1% of average daily liquid capital, as defined. The deferred acquisition fee is payable for a maximum of 15 years and is limited in the aggregate to payments having a discounted value equal to 14% of gross limited partner capital contributions. Payments made over the 15-year period will be discounted at 10% per year from the date of payment to May 2, 1983 in determining whether the limit has been reached. Payments are limited in the aggregate to $3,080,000. Since inception, the total discounted deferred acquisition fee earned by the Managing General Partner is approximately $2,329,000. The annual deferred acquisition fee earned by

BPL amounted to $104,335, $140,364 and $230,978 for the years ended September 30, 1996, 1995, and 1994, respectively.

The Partnership also reimburses BPL for its allocable share of salaries of nonmanagement and nonsupervisory personnel providing accounting, investor reporting and communications, and legal services to the Partnership and allowable expenses related to the maintenance and repair of data processing equipment used for or by the Partnership. The amount due to BPL for such reimbursements for the years ended September 30, 1996, 1995, and 1994 amounted to $22,940, $30,795 and $30,588, respectively.

BOETTCHER WESTERN PROPERTIES III LTD
(A Limited Partnership)

Notes to Financial Statements
September 30, 1996, 1995 and 1994

(5) Future Rental Income

Aggregate base rental income relating to long-term noncancelable leases for the Venetian Square Shopping Center for the five fiscal years ending September 30, 2001 and thereafter is as follows:

1997	$ 781,920
1998	626,347
1999	528,910
2000	469,263
2001	431,272
Thereafter	1,015,220
	$3,852,932

(6) Liquidity and Debt Maturities

The Partnership is required under its Partnership Agreement to maintain cash reserves of not less than 3% of aggregate capital contributions for normal repairs, replacements, working capital and other contingencies. As of September 30, 1996, the Partnership had cash reserves of $1,240,077, while the required minimum amount was $660,000.

During fiscal 1996, the payable to managing general partner decreased $925,068 to a total of $602,323 as of September 30, 1996. This decrease is the result of the accrual of fees and reimbursements earned by the Managing General Partner in fiscal 1996 and cash advances received from the Managing General Partner during fiscal 1996 totaling $133,530 and $141,402, respectively, and payments to the Managing General Partner of $1,200,000, primarily from the proceeds of the sale of LaRisa Apartments. The Managing General Partner intends to apply cash flow generated from Partnership operations in fiscal 1997, if any, to maintain the minimum required cash reserves, as necessary, including any additional reserves to cover remediation costs at Venetian Square Shopping Center. Thereafter, the Partnership intends to pay the Managing General Partner all unpaid cash advances made to the Partnership, all unpaid administrative reimbursements and all deferred fees earned by the Managing General Partner.

The Managing General Partner is attempting to sell the Partnership's remaining real estate investment in fiscal 1997. However, there can be no assurances that the Partnership will sell such Property in 1997. As of September 30, 1996 and 1995, the remaining real estate investments are classified as properties held for sale. The Partnership has entered into a listing agreement with an unrelated real estate brokerage firm to act as the exclusive selling agent for the Remaining Property. The Managing General Partner believes that this sale will provide net proceeds to the Partnership after the payment of sales costs, closing costs and mortgages payable; however, this sale transaction may include both cash at closing and deferred payments to the Partnership. The ability of the Partnership to sell

BOETTCHER WESTERN PROPERTIES III LTD.

Venetian Square Shopping Center may be adversely affected by the potential remediation costs of the petroleum contamination of the property. The Partnership intends to apply net sales proceeds to pay all remaining liabilities identified by the Managing General Partner arising out of or in connection with the operations of the Partnership and the sale of Venetian, including amounts owed to the Managing General Partner. Thereafter, all remaining cash reserves of the Partnership will be utilized to first pay the costs of liquidation and dissolution of the Partnership and then to make a final distribution to limited partners.

On October 24, 1995, the Partnership entered into a letter agreement with Great West Life Assurance Company (Great West) to extend the maturity date of the first mortgage payable secured by Venetian Square Shopping Center to October 1, 1997. Under the agreement, the Partnership was obligated to pay a $20,000 fee, the interest rate was increased to 10.5% and the monthly payment was increased to $39,098 effective October 1, 1995.

(7) Environmental Remediation Costs

From approximately 1979 through 1990 a card-lock fueling station had been operated on a parcel of land adjacent to and a part of Venetian Square Shopping Center. In 1990, operation of the fueling station ceased, and in fiscal 1991 the Partnership determined that it would be permanently closed. In compliance with the California and San Joaquin County environmental regulatory requirements, the Partnership contracted with an environmental engineering firm to perform Phase I and Phase II environmental site assessments on this specific parcel of land. The results of those site assessments suggested that the site may contain petroleum contaminants. In fiscal 1992, the Partnership contracted for the excavation and removal of the three underground fuel storage tanks located on this parcel of land. Upon excavation and removal of those underground fuel storage tanks, leakage of petroleum contaminants was discovered through performance of soil and groundwater tests. The Partnership retained California legal counsel and contracted with an environmental engineering firm (EEF) to perform further site analysis and to determine the proximate cause and extent of any contaminants. In the first quarter of fiscal 1993, the Partnership received the Preliminary Site Assessment report (the PSA) from the EEF detailing the results of its Phase II soil and groundwater sampling and analysis, as well as the EEF's recommendation for further action. In working with the San Joaquin County Public Health Services/Environmental Health Division (San Joaquin), the Partnership received approval to proceed with quarterly groundwater monitoring of the site for a term of one year which was completed as of December 31, 1993. An Evaluation of Remedial Alternatives For Petroleum Hydrocarbon Impacted Soil (the Report) was submitted to San Joaquin for further review and comments. San Joaquin notified the Partnership that the remedial alternative consisting primarily of soil vapor extraction complies with regulatory requirements and requested that the Partnership submit a work plan to the regulatory

agency which will include the proposed actions and proposed schedule for implementation and operation of the soil vapor extraction system. However, the Partnership has been advised that groundwater contamination has also occurred and the Partnership is in the process of determining the method, cost and timing of required soil and groundwater remediation measures. The Partnership has spent approximately $300,000 to date in connection with the remediation program and since fiscal 1993 has maintained an accrual of approximately $250,000 as a provision for possible additional remediation expenses. Management is unable at this time to estimate the full extent of additional expenses that may be incurred. Due to groundwater contamination, the Partnership may incur significant additional remediation costs. The estimate of costs and their timing of payment could change as a result of (1) changes to a remediation plan required by the State Environmental Agency, (2) changes in technology available to treat the site, (3) unforeseen circumstances existing at the site and (4) differences between actual inflation rates and rates assumed in preparing the estimate. As a result of these factors, it is not possible for the Partnership to reasonably estimate the amount by which remediation costs may exceed amounts that the Partnership has accrued. The ultimate resolution of this matter and its impact on the Partnership's financial statements is uncertain.

Item 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

There have been no changes in accountants or disagreements with accountants on any matter of accounting principles or practices on financial statement disclosure or auditing scope or procedure.

PART III

Item 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

The Partnership does not have directors or executive officers. The general partner of the Partnership's Managing General Partner and Associate General Partner is BPL Holdings, Inc. (BPL Holdings), a Delaware corporation. During fiscal 1995, the ultimate parent company of BPL Holdings (Kemper Securities Holdings, Inc.) experienced a change in ownership, whereby it became a wholly-owned subsidiary of EVEREN Capital Corporation and changed its name to EVEREN Securities Holdings, Inc. (ESHI). EVEREN Securities, Inc. is a wholly-owned subsidiary of ESHI. These changes had no impact on the day-to-day operations of BPL Holdings. The following is a list of the directors and officers of BPL Holdings.

Name and Age	Present Position and Principal Occupation and Affiliation During the Last 5 years or More
Janet L. Reali Age: 45	Director, President and Principal Executive Officer of BPL Holdings, Inc. Ms. Reali was elected Executive Vice President and Secretary of EVEREN Capital Corporation in May 1995. Since December 1993 she has been Executive Vice President, Corporate Counsel and Corporate Secretary of EVEREN Securities, Inc. She was became a Director and the President of BPL Holdings, Inc. in May 1995. She was Senior Vice President and Associate General Counsel of EVEREN Securities, Inc. from July 1991 to December 1993. Before joining EVEREN Securities, Inc. she was a partner in the Chicago law firm of Keck, Mahin & Cate.
Stanley R. Fallis Age: 55	Director of BPL Holdings, Inc. Mr. Fallis graduated from the University of Idaho with a BS degree in accounting. Mr. Fallis also obtained an MBA degree from the University of Utah. Mr. Fallis is a Certified Public Accountant and practiced public accounting for six years. Mr. Fallis has been associated with Boettcher & Co. for 18 years and is currently Senior Executive Vice President and Chief Financial Officer as well as Director of Administration of EVEREN Securities, Inc.

Daniel D. Williams Age: 45	Director and Vice President of BPL Holdings, Inc. Mr. Williams became a Director and Vice President of BPL Holdings, Inc. in May 1995. Mr. Williams was elected Senior Executive Vice President, Treasurer and Chief Financial Officer of EVEREN Capital Corporation in May 1995. Since April 1995 he has been Senior Executive Vice President and Chief Financial Officer of EVEREN Securities, Inc. From January 1994 to April

1995, Mr. Williams was Executive Vice President and Director of Finance and Administration and from January 1991 to January 1994 he was Senior Vice President and Director of Accounting of EVEREN Securities, Inc. Prior thereto, he was Executive Vice President, Treasurer and Chief Financial Officer of Boettcher & Co.

Kelly J. Stradinger Age: 37	Vice President and Secretary of BPL Holdings, Inc. Mr. Stradinger joined BPL in 1983 as Assistant Controller for the syndicated public real estate partnerships. Mr. Stradinger is currently in charge of asset management for all syndicated partnerships where BPL or an affiliate is the general partner. He is also a Vice President of EVEREN Securities, Inc. and Director of Leasing for the facilities management department. Mr. Stradinger graduated from Western Michigan University with a Bachelor of Business Administration in Accounting and successfully completed the Certified Public Accountant exam.
Thomas M. Mansheim	Director and Treasurer of BPL Holdings, Inc. (Principal Financial and Accounting Officer of the Partnership)
Age: 39	Mr. Mansheim joined BPL in 1984 and is currently a Senior Vice President with EVEREN Securities, Inc. He became a Director and and the Treasurer of BPL Holdings, Inc. Mr. Mansheim is a Certified Public Accountant and from 1980 to 1984 was employed with KPMG Peat Marwick. Mr. Mansheim graduated from the University of Colorado with a Bachelor of Science degree in business administration.

There is no family relationship among the officers or directors of BPL Holdings or any of its affiliates.

Item 11. EXECUTIVE COMPENSATION

The Partnership, as an entity, does not have any directors or executive officers. The information required by Item 402 of Regulation S-K relating to amounts owed by the Partnership to the Managing General Partner and its affiliates for services rendered during the fiscal year ended September 30, 1996 is presented below. Reference is also made to Note 4 to Financial Statements as contained in Item 8 of this report for a description of related parties.

<TABLE>
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Name of Entity	Capacities in Which Compensation was Earned	Cash Paid (a)	Deferral of Fees	Total Fees Earned
<S>	<C>	<C>	<C>	<C>
Boettcher Properties, Ltd.	Deferred Acquisition Fee	$ -	104,335	104,335
Boettcher Properties, Ltd.	Property Management Fee	$ 5,027	1,228	6,255
Boettcher Properties, Ltd.	Reimbursement of direct general and administrative expenses	$14,300	8,640	22,940

</TABLE>

(a) During the fiscal year ended September 30, 1996, the Partnership made cash payments to the Managing General Partner totaling $1,200,000 which were applied as follows:

<TABLE>
<CAPTION>

	Current Year	Prior Years	Total
<S>	<C>	<C>	<C>
Deferred acquisition fee	$ -	$ 990,406	$ 990,406
Property management fee	5,027	15,033	20,060
Reimbursement of direct general and administrative expenses	14,300	23,148	37,448
Repayment of cash advances	118,441	33,645	152,086
	$137,768	$1,062,232	$1,200,000

</TABLE>

No form of non-cash remuneration was paid by the Partnership. See Item 13 below with respect to a description of certain transactions of the General Partners and their affiliates with the Partnership.

Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

To the knowledge of the Partnership, no person or group owns of record or beneficially more than 5% of the outstanding Units.

The Partnership has no directors or executive officers. To the knowledge of the Partnership, no directors or officers of the Managing General Partner or its affiliates own any Units. There exists no arrangement, known to the Partnership, the operation of which may at a subsequent date result in a change in control of the Partnership.

Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The Partnership has no directors or executive officers. The information required by Item 404 of Regulation S-K is set forth in Item 11. Executive Compensation as contained in this report.

The Partnership has a Management Agreement with the Managing General Partner pursuant to which the Managing General Partner is responsible for performing the day-to-day investment and administrative operations of the Partnership and supervising the management and operation of the Partnership's properties. For such services and for services rendered in connection with the acquisition of the Partnership's properties, the Managing General Partner is entitled to receive annual fees comprised of a Deferred Acquisition Fee and a Property Management Fee as more fully discussed in Note 4 to the Financial Statements as contained in Item 8 of this report. The Managing General Partner earns such fees for services provided to the Partnership pursuant to the Management Agreement and not by reason of its Partnership interest. The Managing General Partner earned a Deferred Acquisition Fee of $104,335 and a Property Management Fee of $6,255 for the fiscal year ended September 30, 1996.

Pursuant to the Partnership Agreement, the Managing General Partner may be reimbursed by the Partnership for certain of its costs, including reimbursements for its allocable share of salaries of nonmanagement and nonsupervisory personnel providing accounting, investor reporting and communications and legal services to the Partnership, and the maintenance and repair of data processing equipment used for or by the Partnership. Pursuant to such provision, for services provided during the fiscal year ended September 30, 1996, the Managing General Partner is entitled to receive reimbursements aggregating $22,940.

The Partnership Agreement provides for the net operating income or loss of the Partnership to be allocated as follows: (i) to the limited partners to the extent necessary to satisfy the 8% Current Distribution Preference, as defined (an amount equal to 8% of the daily average aggregate adjusted capital contributions of the limited partners) and (ii) 1% of the remainder to the General Partners and 99% to the limited partners. Net operating losses are allocated 1% to the General Partners and 99% to the limited partners.

The Partnership Agreement provides for net capital income from the sale or other disposition of Partnership properties to be allocated on a cumulative basis as follows: (i) 1% to the General Partners and 99% to the limited partners to the extent of depreciation deductions taken from the inception of the partnership, (ii) to the limited partners to the extent necessary to satisfy the Net Proceeds Distribution Preference, as defined (an amount equal to the sum of limited partner capital contributions not yet returned and any unsatisfied 8% current Distribution Preference from prior periods) and (iii) 25% of the remainder to the General Partners and 75% to the limited partners. Net capital loss is allocated 1% to the General Partners and 99% to the limited partners.

PART IV

Item 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

(a) (1) Financial Statements

The following Financial Statements of the Partnership are included herein:

Independent Auditors' Report

Balance Sheets - September 30, 1996 and 1995

Statements of Operations
Years ended September 30, 1996, 1995 and 1994

Statements of Partners' Capital (Deficit)
Years ended September 30, 1996, 1995 and 1994

Statements of Cash Flows
Years ended September 30, 1996, 1995 and 1994

Notes to Financial Statements

(2) Financial Statement Schedule

Independent Auditor's Report

Schedule-III Real Estate and Accumulated Depreciation as of September 30, 1996

Schedules, other than the one listed, are omitted for the reason that they are inapplicable or equivalent information has been included elsewhere herein.

(b) Reports on Form 8-K

No reports on Form 8-K were filed by the Registrant during the last quarter of the fiscal year covered by this report.

(c) Exhibits

Number	Exhibit
4	Limited Partnership Agreement of Registrant(1)
10.1	Management Agreement (1)
10.2	La Risa Apartments Purchase and Sale Agreement (2)
10.3	Venetian Square Shopping Center Purchase and Sale Agreement (2)

10.4 Southcenter Office Building Purchase and Sale Agreement (2)

10.5 La Paz Apartments Purchase and Sale Agreement (3)

10.6 Maryland Villa Apartments Purchase and Sale Agreement (3)

10.7 Los Compadres Apartments Purchase and Sale Agreement (3)

10.8 Loan Extension Agreement for Los Compadres Apartments dated August 27, 1993 (5)

10.9 Letter Agreement for Loan Extension for Los Compadres Apartments dated as of December 17, 1993 (5)

10.10 Loan Extension Agreement for La Paz Apartments dated August 27, 1993 (5)

10.11 Letter Agreement for Loan Extension for La Paz Apartments dated as of December 17, 1993 (5)

10.12 Loan Extension Agreement for Maryland Villa Apartments dated August 27, 1993 (5)

10.13 Letter Agreement for Loan Extension for Maryland Villa Apartments dated as of December 17, 1993 (5)

10.14 Los Compadres Apartments Purchase and Sale Agreement dated January 11, 1994 (6)

10.15 La Paz Apartments Purchase and Sale Agreement dated January 11, 1994 (6)

10.16 Maryland Villa Apartments Purchase and Sale Agreement dated January 11, 1994 (6)

(c) Exhibits (continued)

Number	Exhibit
10.17	First Amendment to Purchase and Sale Agreements for Los Compadres, La Paz and Maryland Villa Apartments dated February 18, 1994 (6)
10.18	Loan extension agreement for Venetian Square Shopping Center dated October 24, 1995 (8)
27	Financial Data Schedule
28.1	Complaint for Judicial Foreclosure of Mortgage Dated May 27, 1993 (4)
28.2	Motion for Appointment of Receiver Dated May 27, 1993 (4)
28.3	Objection to Order to Show Cause Dated June 3, 1993 (4)
28.4	Order Appointing Receiver in Aid of Foreclosure Dated June 7, 1993(4)
28.5	Motion for Order of Default, Order of Summary Judgment, and Entry of Judgment of Foreclosure of Mortgage Dated August 10, 1993 (5)
28.6	Second Extension and Modification Agreement dated December 28, 1994 (7)

(1) Incorporated by reference to Exhibit No. 3.1 and Exhibit 10 to Amendment No. 2 to Form S-11 Registration Statement filed May 2, 1983 - File No. 2-82570.

(2) Incorporated by reference to Registrant's Reports on

Form 8-K dated October 18, 1983, December 9, 1983 and April 27, 1984, respectively.

(3) Incorporated by reference to Registrant's Report on Form 8-K dated October 16, 1984.

(4) Incorporated by reference to Registrant's Report on Form 8-K dated June 7, 1993.

(5) Incorporated by reference to Registrant's Report on Form 10-K dated September 30, 1993.

(6) Incorporated by reference to Registrant's Report on Form 8-K dated February 18, 1994.

(7) Incorporated by reference to Registrant's Report on Form 10-Q dated February 13, 1995.

(8) Incorporated by reference to Registrant's Report of Form 10-Q dated February 14, 1996.

INDEPENDENT AUDITORS' REPORT

THE PARTNERS
BOETTCHER WESTERN PROPERTIES III LTD.:

Under date of December 16, 1996, we reported on the balance sheets of Boettcher Western Properties III Ltd. (a limited partnership) as of September 30, 1996 and 1995, and the related statements of operations, partners' capital (deficit), and cash flows for each of the years in the three-year period ended September 30, 1996, as contained in the Partnership's annual report on Form 10-K for the year 1996. In connection with our audits of the aforementioned financial statements, we also audited the related financial statement Schedule III - Real Estate and Accumulated Depreciation. This financial statement schedule is the responsibility of the Partnership's management. Our responsibility is to express an opinion on this financial statement schedule based on our audit.

In our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

KPMG PEAT MARWICK LLP

Denver, Colorado
December 16, 1996

BOETTCHER WESTERN PROPERTIES III, LTD.
(A Limited Partnership)
SCHEDULE III - Real Estate and Accumulated Depreciation
September 30, 1996

<TABLE>
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PROPERTIES		Initial cost (a) and (b)			Costs capitalized Subsequent to acquisition		
	Mortgage Payable (b)	Land and improve-ments	Buildings and Improvements	Equipment and Furnishings	Land and improve-ments	Buildings and Improvements	Equipment and Furnishings
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
APARTMENTS:							
La Risa (c)							
San Antonio, Texas	$ -	1,521,826	4,972,263	750,966	-	29,733	-
SHOPPING CENTER:							

Venetian Square Stockton, California	3,303,685	1,591,361	6,274,218	-	43,591	83,524	-
Balances at September 30, 1996	$3,303,685	3,113,187	11,246,481	750,966	43,591	113,257	0

<CAPTION>

PROPERTIES	Gross amount at close of period (a) and (b)						
	Land and improvements	Buildings and Improvements	Equipment and Furnishings	Total	Accumulated depreciation	Date of construction	Date of acquisition
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
APARTMENTS:							
La Risa (c) San Antonio, Texas	1,521,826	5,001,996	750,966	7,274,788	(2,551,025)	1972	18-Oct-83
SHOPPING CENTER:							
Venetian Square Stockton, California	1,634,952	6,357,742	-	7,992,694	(2,599,948)	1979	09-Dec-83
Balances at September 30, 1996	3,156,778	11,359,737	750,966	15,267,482	(5,150,974)		

<CAPTION>

PROPERTIES	Life on which depr. is computed	
	Buildings and Improvements	Equipment and Furnishings
<C>	<C>	<C>
APARTMENTS:		
La Risa (c) San Antonio, Texas	30 years	5 years
SHOPPING CENTER:		
Venetian Square Stockton, California	30 years	5 years
Balances at September 30, 1996		

</TABLE>

Notes:

(a) La Risa and Venetian Square were purchased during the period ended September 30, 1984.

(b) Net of debt discount.

(c) La Risa was sold on February 29, 1996.

(d) Reconciliation of the total amount at which real estate was carried:

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	Balance at September 30,			
		1996		1995
<S>	<C>	<C>	<C>	<C>
Balance at beginning of period		$15,154,225		$15,040,676
Additions during period:				
Acquistions through foreclosure	0		0	
Other acquisitions.	0		0	
Improvements, etc..	$ 113,257		$113,549	
Other (describe).	0		0	
		113,257		113,549
		15,267,482		15,154,225
Deductions during period:				
Cost of real estate sold.	7,274,788		0	
Other (describe).	0		0	
		7,274,788		0
Balance at close of period.		$7,992,694		$15,154,225

(d) Reconciliation (continued)

Reconciliation of the total amount of accumulated depreciation:

		Balance at September 30, 1996		1995
Balance at beginning of period		($4,833,753)		($4,382,580)
Additions during period:				
Depreciation expense	($317,221)		($451,173)	
Other (describe)	0		0	
		(317,221)		(451,173)
		(5,150,974)		(4,833,753)
Deductions during period:				
Cost of real estate sold	(2,551,025)		0	
Other (describe)	0		0	
		(2,551,025)		0
Balance at close of period		($2,599,948)		($4,833,753)

</TABLE>

(e) No item of real estate investment has been written down or reserved against.

(f) The aggregate cost for Federal income tax purposes at September 30, 1996 is $9,124,075.

(g) No intercompany profits are included in the total of column E.

See accompanying independent auditors' report.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BOETTCHER WESTERN PROPERTIES III LTD.
(Registrant)

By: Boettcher Properties, Ltd.,
Managing General Partner

By: BPL Holdings, Inc.,
General Partner

By: /s/Thomas M. Mansheim

Treasurer

Dated: December 27, 1996

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons (constituting a majority of the Directors of the corporate general partner of the Registrant's Managing General Partner) on the 27th day of December, 1996 in the capacities indicated below.

Name	Capacities
JANET L. REALI	Director and President of BPL Holdings, Inc.; Principal Executive Officer of the Partnership
By: /s/Janet L. Reali Janet L. Reali	Dated: December 27, 1996
DANIEL D. WILLIAMS	Director and Vice President of BPL Holdings, Inc.

By: /s/Daniel D. Williams   Dated: December 27, 1996

Daniel D. Williams

THOMAS M. MANSHEIM   Director and Treasurer of BPL Holdings, Inc.; Principal Financial and Accounting Officer of the Partnership

By: /s/Thomas M. Mansheim   Dated: December 27, 1996

Thomas M. Mansheim

No annual report or proxy material has been sent to the limited partners of the Partnership. An annual report will be sent to the limited partners subsequent to this filing and the Partnership will furnish copies of such report to the Commission when it is sent to the limited partners.

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