

SECURITIES AND EXCHANGE COMMISSION

FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

Filing Date: **1999-03-26** | Period of Report: **1997-06-30**  
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FILER

**TPI LAND DEVELOPMENT III LIMITED PARTNERSHIP**

CIK: **785539** | IRS No.: **860540409** | State of Incorpor.: **AZ** | Fiscal Year End: **1231**  
Type: **10-Q** | Act: **34** | File No.: **033-02121** | Film No.: **99573952**  
SIC: **6500** Real estate

Mailing Address  
2999 N 44TH STREET  
SUITE 450  
PHOENIX AZ 85018

Business Address  
2999 N 44TH STREET  
SUITE 450  
PHOENIX AZ 85018  
6029554000

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES  
EXCHANGE ACT OF 1934

For the Quarter Ended June 30, 1997, Commission file number: 33-2121  
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TPI LAND DEVELOPMENT III LIMITED PARTNERSHIP  
-----

(Exact name of registrant as specified in its charter)

ARIZONA  
-----

86-0540409  
-----

(State or other jurisdiction of  
incorporation or organization)

(IRS Employer  
Identification No.)

2999 N. 44th Street, Suite 450, Phoenix, Arizona  
-----

85018  
-----

(Address of principal executive offices)

(Zip Code)

(602) 955-4000  
-----

(Registrant's telephone number, including area code)

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. [ ] yes [X] no

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY  
PROCEEDINGS DURING THE PRECEDING FIVE YEARS:

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13, 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. [X] yes [ ] no

TPI LAND DEVELOPMENT III LIMITED PARTNERSHIP  
Balance Sheet  
As of June 30, 1997  
Unaudited

ASSETS

Current Assets

Cash	\$	101,436.30
Accounts Receivable		--
Other		--
Mortgage Impounds		10,172.07
		-----
Total Current Assets		111,608.37
Land-Casa Grande		1,086,784.10
Land-Baseline & 24th St		1,009,594.35
Land-Peoria & 79th Ave		984,383.98
Land-Basleine off 24th St		766,108.94
Land-Baseline & 32nd St		1,139,148.04
Land-Pecos Rd/Chandler		1,259,018.40
Land-Central Ave/Avondale		125,472.02
Land-Van Buren & Central		1,302,319.75
Land Baseline off 24th St		254,714.10
		-----
Total Land		7,927,543.68
Other Assets		1,216,668.55
		-----
TOTAL ASSETS		\$9,255,820.60
		=====
LIABILITIES		
Accounts Payable	\$	97,568.37
Notes Payable		210,000.00
		-----
Total Liabilities		307,568.37
CAPITAL		
Partners Capital		8,948,252.23
		-----
TOTAL LIABILITIES & CAPITAL		\$9,255,820.60
		=====

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TPI LAND DEVELOPMENT III LIMITED PARTNERSHIP  
Income Statement  
For the 3 Months May 1, 1997 through  
June 30, 1997  
Unaudited

		June-97	Year to Date
		-----	-----
INCOME			
Rental Income	\$	--	\$ 390.00
Interest Income		749.21	2,203.70

Transfer Fees	765.00	3,050.00
Misc. Income	--	--
	-----	-----
Total Income	\$ 1,514.21	\$ 5,643.70
EXPENSE		
Bank Charges	\$ --	\$ --
Insurance Expense	480.00	480.00
Interest Expense	7,822.50	15,990.45
Legal & Accounting	2,200.00	37,146.40
License & Fees	--	--
Management Fees	12,293.29	22,525.78
Marketing Expense	--	--
Office Expense	568.43	614.62
Outside Service	1,540.12	1,560.12
Printing	--	--
Postage	1,663.13	1,663.13
Rent	--	--
Property Tax	13,230.75	13,230.75
Telephone Expense	--	--
Trustee Fees	2,500.00	3,000.00
Utilities	312.50	312.50
	-----	-----
Total Expenses	42,610.72	96,523.75
	-----	-----
Profit/Loss	(41,096.51)	(90,880.05)
	-----	-----
Other Expense	12.00	36.00
Amortization	--	--
	-----	-----
Total Other Expense	12.00	36.00
	-----	-----
Net Profit/Loss	\$ (41,108.51)	\$ (90,916.05)
	=====	=====

TPI LAND DEVELOPMENT III LIMITED PARTNERSHIP

NOTES TO FINANCIAL STATEMENTS

June 30, 1997

PART 1: FINANCIAL INFORMATION

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF PARTNERSHIP

TPI Land Development III Limited Partnership is a limited partnership formed during 1986 under the laws of the State of Arizona. The Partnership reached impound on May 27, 1986.

DURATION OF PARTNERSHIP

It has been the intention of the Partnership to acquire property for investment appreciation purposes. The partnership intends to sell a portion or all of the properties in the future with a view towards liquidation of the Partnership. If not terminated prior to December 31, 2001, the Partnership shall cease to exist at that date.

OTHER ASSETS

Organizational costs represent costs incurred during the formation period of the Partnership. Organizational costs total \$55,663.00. Organizational costs were amortized over 60 months, and are fully amortized. Syndication costs represent commissions incurred on the sale of limited partnership interests and the costs of preparing the prospectuses. Syndication costs total \$1,216,937.22. Syndication costs are not amortized.

INCOME TAXES

No provision for income tax is made for the Partnership since the reporting and payment of income tax is the responsibility of the individual partners.

PARTNERS' PREFERRED RETURN ON CAPITAL CONTRIBUTIONS

The preferred return clause was deleted in the Amendments to Agreement of Limited Partnership of TPI Land Development III Limited Partnership, dated January 1998.

TPI LAND DEVELOPMENT III LIMITED PARTNERSHIP

NOTES TO FINANCIAL STATEMENTS

June 30, 1997

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ALLOCATION OF NET PROFITS, LOSSES, AND DISTRIBUTIONS TO PARTNERS

Net profits, losses, (prepared on an accrual basis), and distributions

are allocated to the limited and general partners in accordance with their respective capital percentages per Amendments to Agreement of Limited Partnership of TPI Land Development III Limited Partnership, (paragraph 4.1.a), dated January 1998.

NOTE 2: LAND

Costs incurred by the Partnership for acquisition and holding of land as of June 30, 1997 are as follows:

Casa Grande - Florence	\$1,086,784
24th St. & Baseline	1,009,594
79th Ave. & Peoria	984,384
23rd St. & Baseline	766,109
32nd St. & Baseline	1,139,148
Central Ave./Avondale	125,472
Arizona Ave. & Pecos	1,259,018
Van Buren & Central	1,302,320
Baseline off 24th Street	254,714
	-----
	\$7,927,544
	=====

One Triplex apartment building was sold 11/01/94 for \$50,000. Two Triplex apartment buildings were sold on 1/23/95 for \$100,000. Rental Property was sold on 5/23/95 for \$44, 900. A corner pad (40,000 square feet) 24th Street and Baseline was sold December 16, 1996 for \$400,000.

NOTE 3: PARTNERS' CAPITAL

Partners' capital contributions received and subscribed as of June 30, 1997 are as follows:

Limited partners contribution	\$9,939,500
Prior years profit (loss)	(900,332)
Current years profit (loss)	( 90,916)
	-----
Partners' Capital	\$8,948,252
	=====

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TPI LAND DEVELOPMENT III LIMITED PARTNERSHIP

NOTES TO FINANCIAL STATEMENTS

June 30, 1997

NOTE 3: PARTNERS' CAPITAL (CONTINUED)

A prior period adjustment was made in 1996 to the prior year's profit(loss) for \$24,381. The previous general partner's original

contribution of \$100,399 was in the form of a note payable. The note was written off with the removal of the general partner and all of his interests. Limited partners' original contributions were adjusted accordingly. The accounts receivable balance of \$2,079 was due to the general partner, and was written off and the current year's loss adjusted. The note and the receivable netted in effect and the capital account corrected.

NOTE 4: The partnership is obligated under the Promissory Note dated May 3, 1993 with West Financial Corp. for \$285,000. Interest of 14.9% per annum is paid in monthly installments of \$3,538.75 with the remaining principal and interest due and payable on July 1, 1996. West Financial Corp. assigned all rights, title and interest in the Promissory Note and beneficial interest under the Deed of Trust to Bolco Limited Partnership, in an agreement dated February 12, 1996. The agreement extends the remaining interest due and payable to June 1, 1997. The United States Bankruptcy Court in the District of Arizona, Chapter 11 issued an "Order Approving Stipulation Regarding Secured Claim of Bolco Ltd. Partnership". Included in the Order the maturity date on the Promissory Note was extended through and including February 2, 1998, provided a plan of reorganization was filed with the Court on or before August 1, 1997. All other terms of the original agreement are upheld.

NOTE 5: The tri-plex rental property was readied for a pending sale. A short term loan from TPI Secured Income 89B was needed in addition to existing cash reserves to prepare the property for sale. The loan was repaid on 02/01/95.

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TPI LAND DEVELOPMENT III LIMITED PARTNERSHIP

NOTES TO FINANCIAL STATEMENTS

June 30, 1997

NOTE 6: The Partnership has loaned the sum of \$39,500 to an unrelated entity under a Promissory Note dated August 31, 1993. Interest of 15% per annum is due monthly and accrues to principal if unpaid monthly. The Note was foreclosed upon on 07/13/94 and the property was converted to an asset to be prepared for sale.

NOTE 7: The Partnership has loaned \$25,000 to an unrelated party on October 8, 1993. Interest of 15% accrues to the principal with the balance all due and payable October 4, 1994. The loan was repaid on 10/18/94.

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

The partnership offering period ended December 31, 1987. From that date forward

the Partnership entered the operating stage which either held the properties for appreciation or prepared the properties for disposition. Also during this period, the final acquisitions were made.

As of June 30, 1997 the Partnership had \$111,608.37 in cash and money market instruments. The sources of revenue during the operating period were interest on the money market account, and transfer fees.

PART 2: OTHER INFORMATION

LEGAL PROCEEDINGS

A petition was filed on July 6, 1995 in the United States Bankruptcy Court for the District of Arizona, Case No. 95-05828-PHX-CGC, for Chapter 11 Bankruptcy protection. All parcels of real property are listed for sale, and are being actively marketed. A plan of reorganization is currently being prepared.

SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

The general partners, Herve Tessier and TPI Asset Management, Inc., resigned and have been replaced by the Investors Recovery Group, LLC, which was organized by existing partners in TPI Land Development III Limited Partnership. The members of the Investors Recovery Group, LLC are Lawrie Porter, Carl Harwood, Robert Long, Elizabeth Kowoser, Donald Thomas, and Craig Stevenson. On May 10 and 11, 1996 a Notice of Settlement Agreement regarding the Resignation of General Partners of TPI III; Notice of Hearing on Approval of settlement Agreement regarding Resignation of General Partners of TPI III; and Notice of Selection of Successor General Partner of TPI III were mailed to all Limited Partners. The settlement agreement was approved by a court order in the United States Bankruptcy Court District of Arizona, Chapter 11, Case No. 95-5828-PHX-CGC on May 24, 1996.

SIGNATURES

Pursuant to the requirements 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.

TPI LAND DEVELOPMENT III LIMITED PARTNERSHIP

By: /s/ Robert H. Long

-----  
Robert H. Long, Managing Member

Date: March 25, 1999





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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE BALANCE SHEET AT JUNE 30, 1997 AND THE STATEMENT OF OPERATIONS FOR THE THREE MONTHS ENDED JUNE 30, 1997 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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